

Results Presentation

For the full year ended
30 June 2022

Bendigo and Adelaide Bank Limited ABN 11 068 049 178



**Bendigo and
Adelaide Bank**

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Overview

Marnie Baker
Managing Director

Overview

- Continued growth in loans, deposits and customer numbers
- Decline in 2H22 revenues due to margin pressures; exit NIM higher
- Absolute reduction in costs and continued improvement in CTI ratio
- Strong balance sheet and credit quality
- Strengthened focus on **returns, execution** and **sustainability**
- Trusted organisation with unwavering commitment to customers and communities

Financial performance

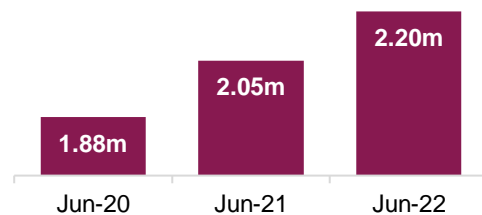
	FY22 (\$m)	FY21 (\$m)	FY22 v FY21
Total income	\$1,709.9	\$1,702.5	0.4%
Operating expenses	\$1,016.3	\$1,027.4	(1.1%)
Underlying profit (pre-credit expenses)	\$693.6	\$675.1	2.7%
Credit expenses	(\$27.2)	\$18.0	Large
Cash earnings (after tax)	\$500.4	\$457.2	9.4%
Statutory net profit (after tax)	\$488.1	\$524.0	(6.9%)
Cash EPS	89.8c	85.6c	4.9%
Cash return on equity	7.72%	7.67%	5bps
Cost to income	59.4%	60.3%	(90bps)

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax

Key performance indicators

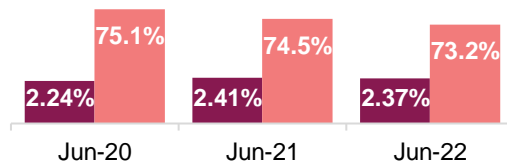
Consistent performance

Customer numbers



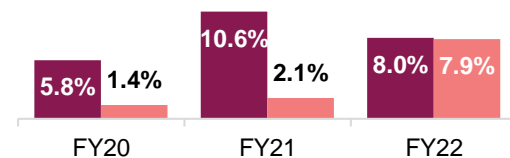
Market share¹

■ BEN ■ Major banks

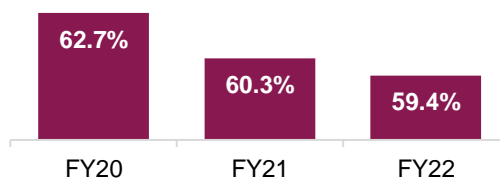


Total lending growth²

■ BEN ■ Major banks

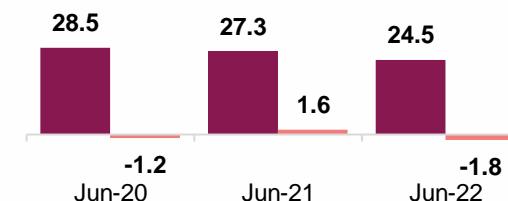


Cost to income



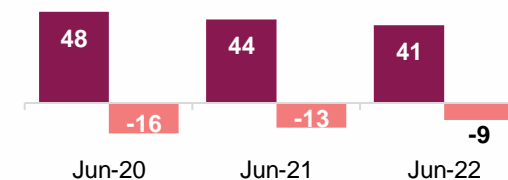
Net promoter score³

■ BEN ■ Industry

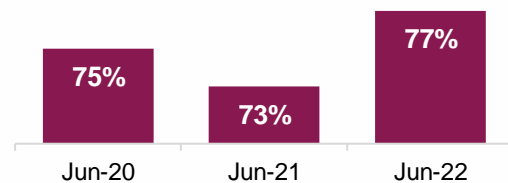


MFI business NPS⁴

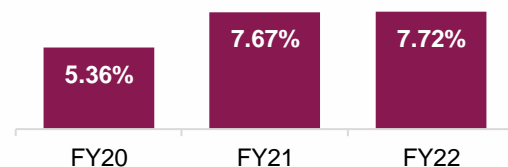
■ BEN ■ Major banks



Employee Engagement Index⁵



Return on Equity (cash)



¹ APRA Monthly Banking Statistics June 2022. BEN total lending and major bank total lending divided by system.

² APRA Monthly Banking Statistics June 2022. BEN total lending growth rate and major bank average from June 2021 to June 2022.

³ Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

⁴ DBM Atlas (Business) MFI NPS – Total Business with <\$40m turnover. Figures based on 12 month rolling data.

⁵ Internal measure of employee motivation, commitment, discretionary effort and pride.

Shaping the future of banking

Our strategy

VISION:

Australia's bank of choice

PURPOSE:

To feed into prosperity, not off it

IMPERATIVES:



Reduce complexity



Invest in capability



Tell our story



Customer Centric Operating Model

Digital by design, human when it matters



Customer Value Proposition

Based on trust, authenticity, knowledge, expertise, connection and personalised relationships



Growth & Transformation Strategy

Propelled by human, digital and community connections



ESG Framework

Strengthen our ESG outcomes in line with our purpose

For our customers, people, partners, communities and shareholders

Rapidly changing environment requires a dynamic response

The new cycle presents fresh challenges

Macro-economic backdrop

- Inflationary pressures
- Rising interest rates
- Historically high labour force participation
- Property prices moderating
- Agriculture prices/conditions generally remain supportive
- Supply challenges
- Labour and skills shortages



Customer Impacts

- Tighter business operating margins and household cash flows
- Potential wealth deterioration from moderating asset prices
- Cost of living pressures and subdued consumer confidence
- Increased need for financial flexibility in terms of liquidity and working capital

Banking Industry Impacts

- Lower credit growth
- Deposit pricing competition
- Wage inflation
- Increased risk of credit default

Transforming our business and returns

Same strategy with a shift in emphasis

- 1. Returns**
- 2. Execution**
- 3. Sustainability**

Transforming our business and returns

1. Returns

- Increased focus on financial returns
- Deliver a broadly flat expense profile

Transforming our business and returns

2. Execution

	FY22	Short to medium term
Portfolio	Ferocia acquisition completed, Margin Lending acquisition Combined Business/Agri division	Continue to actively manage for value
Customer	Up Home	Digitisation of term deposit opening process
Structure	Executive changes made – CFO, CCO Business/Agri, COO, Treasurer	Continued corporate and distribution reshape
Practices	Replicating portfolio term changes	Introduction of profit after capital measure and heightened ROI discipline
Rewards	New policies, increased focus on ROE in variable reward framework	Broadened performance-based remuneration

Transforming our business and returns

3. Sustainability

Getting the balance right for all stakeholders:

- Supporting our customers' financial needs
- Investment in our businesses and people
- Generation and utilisation of capital
- Franked dividends to our shareholders

FY22 financials and priorities

Andrew Morgan
Chief Financial Officer

Cash earnings vs Statutory NPAT

Solid growth in cash earnings, disciplined cost management and lower loan provisions

	FY22 (\$m)	FY21 (\$m)	FY22 v FY21
Total income	1,709.9	1,702.5	0.4%
Operating expenses	1,016.3	1,027.4	(1.1%)
Credit (reversals) / expenses	(27.2)	18.0	Large
Cash earnings after tax	500.4	457.2	9.4%
Non-cash items:			
- Homesafe (net)	(3.4)	77.7	
- Other items	(8.9)	(10.9)	
Statutory NPAT	488.1	524.0	(6.9%)

Reduction YoY predominantly driven by future portfolio growth assumptions being revised down¹

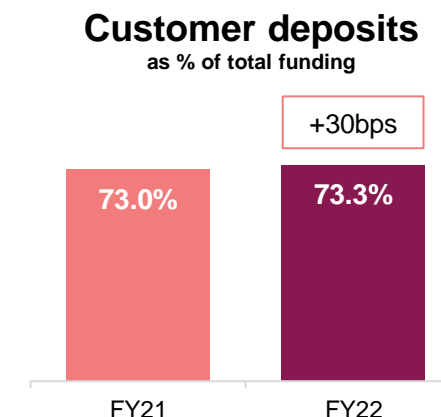
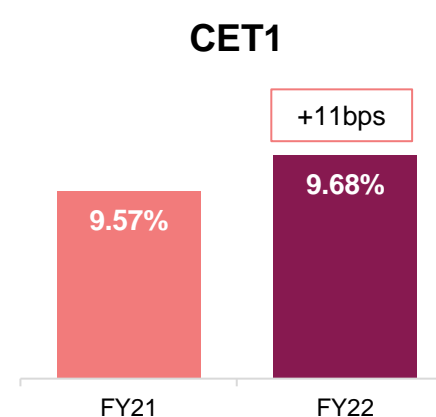
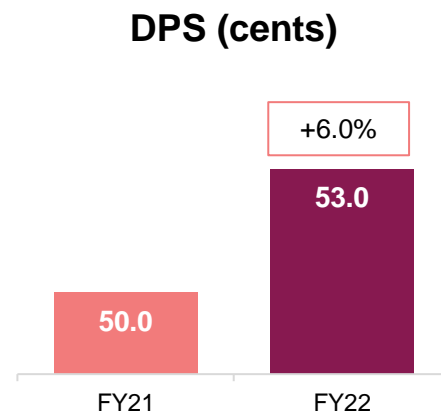
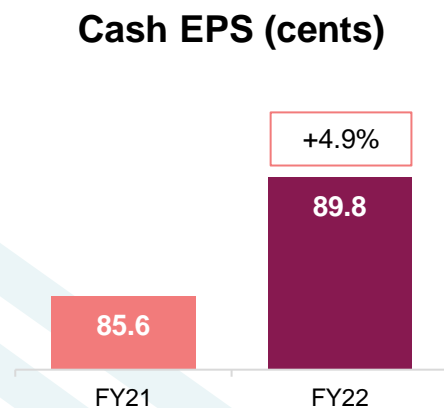
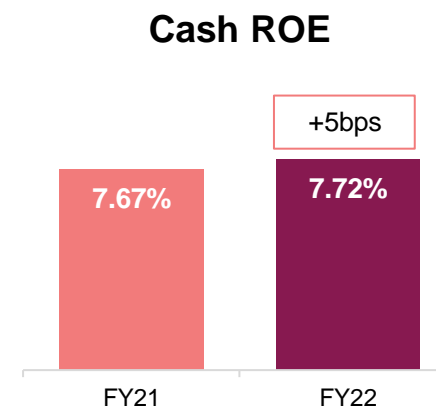
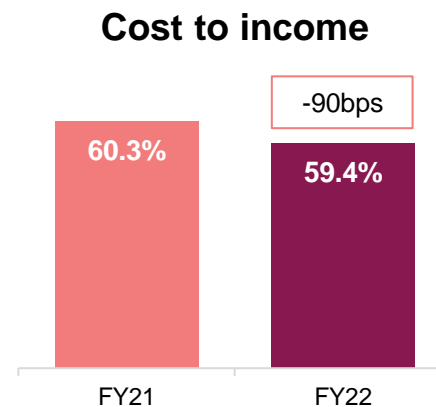
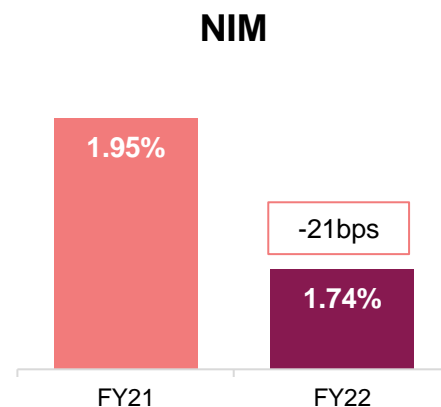
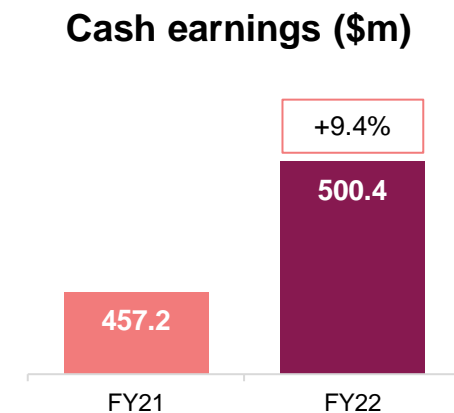
Restructuring costs and net impact of business sales and acquisitions

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax

¹ Refer to slide 38 for further information on growth assumptions

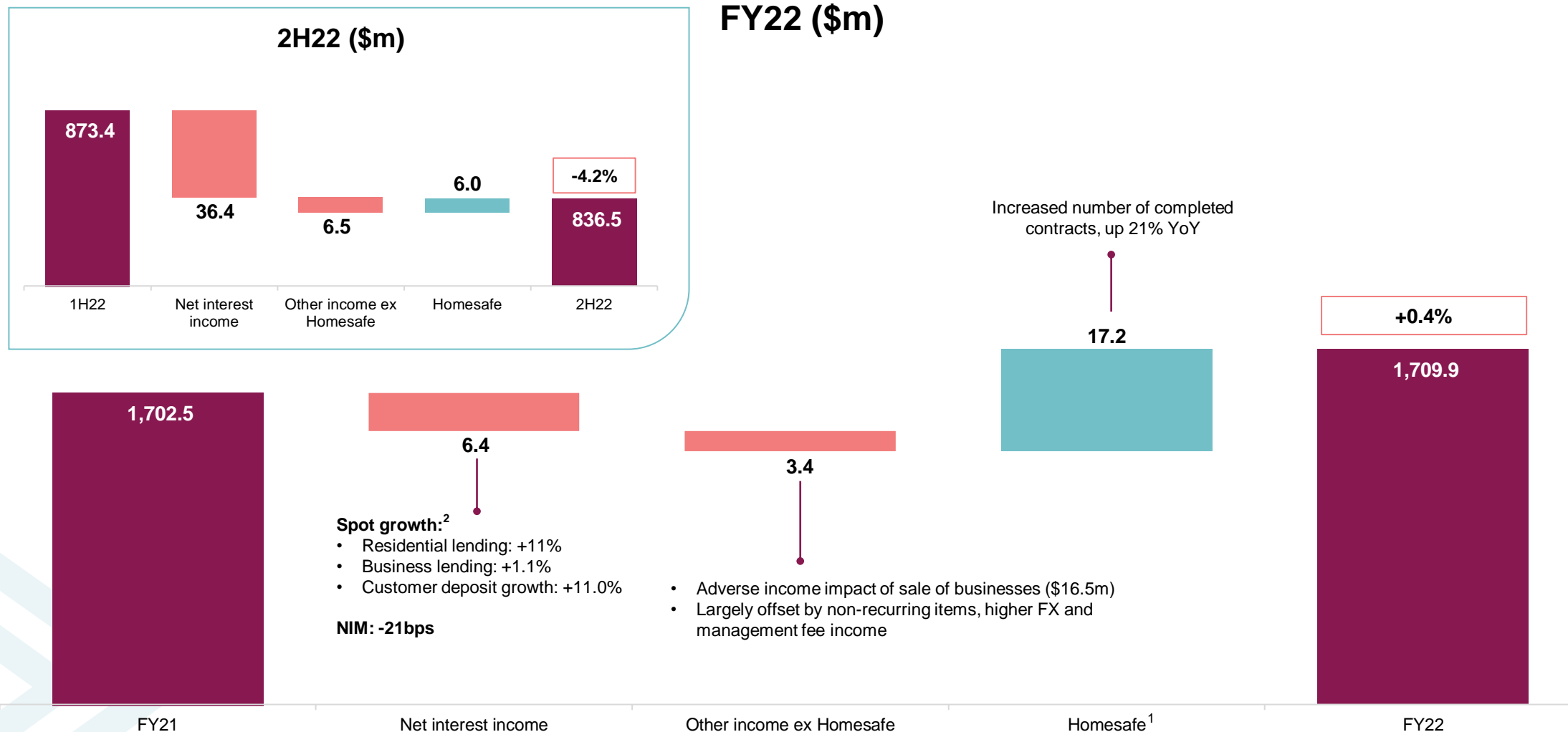
FY22 result

Key metrics showing improvement, with the exception of NIM



Total income

Benefit of strong volume growth offset by lower margins



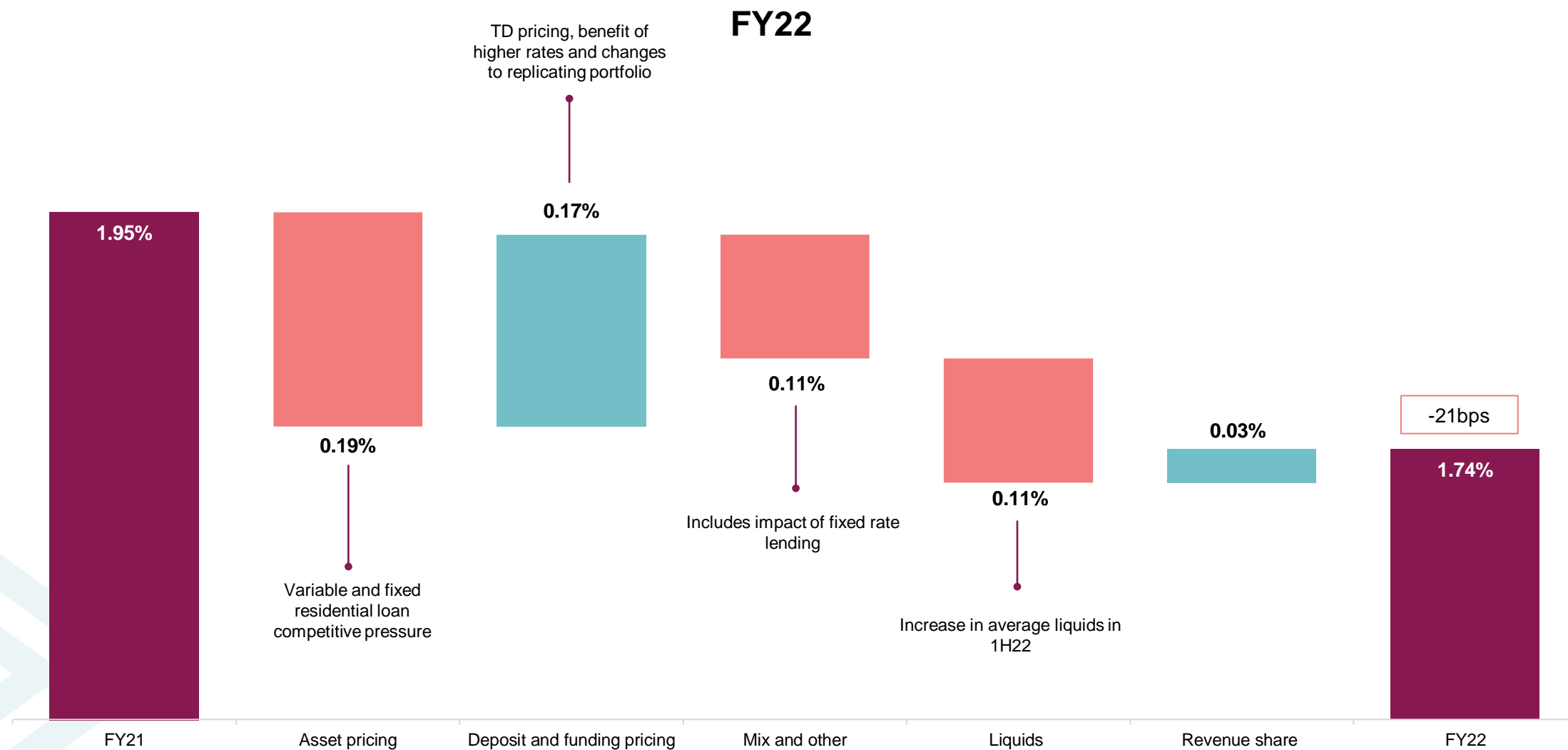
Note: Other income breakdown is prepared on a cash basis and excludes Homesafe revaluation (\$38.5m).

¹ Homesafe net realised income before tax

² Spot growth is year-on-year growth taken from Appendix 4E total gross loan table by purpose. Business lending includes business lending, agribusiness lending and portfolio funding.

Net interest margin

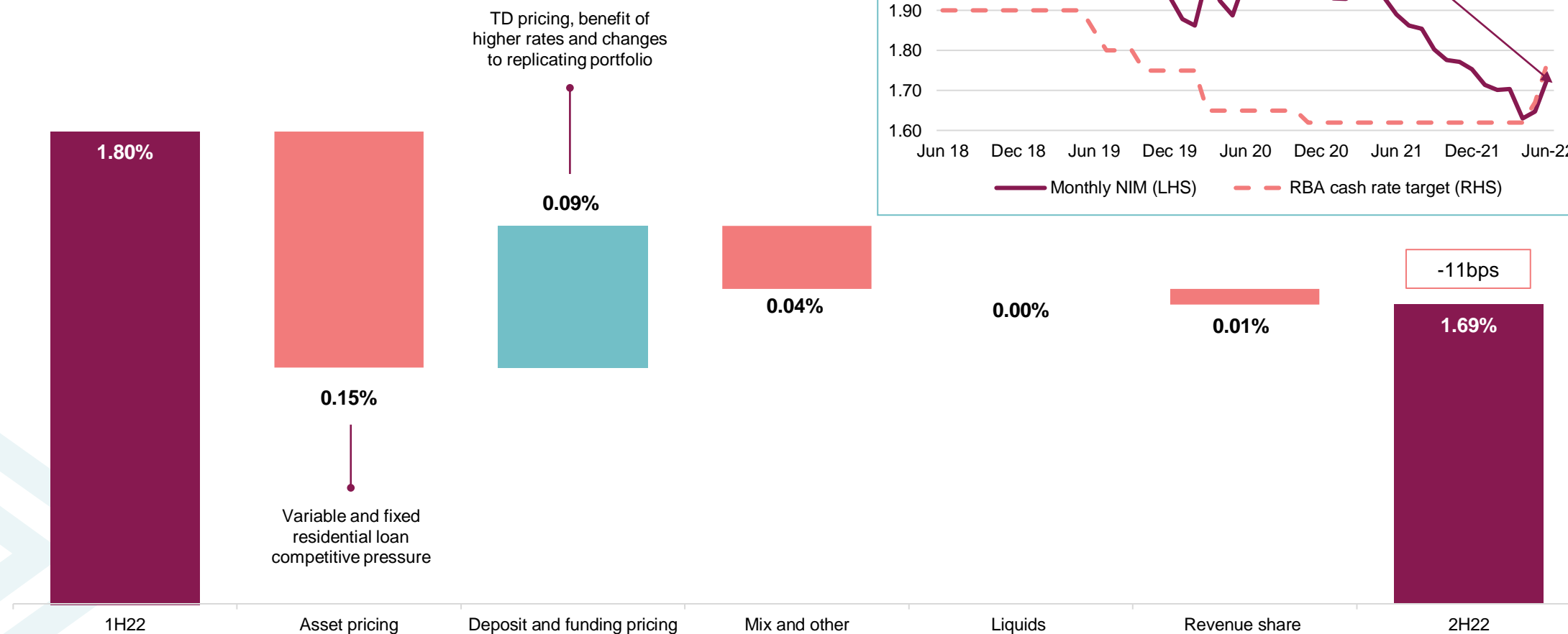
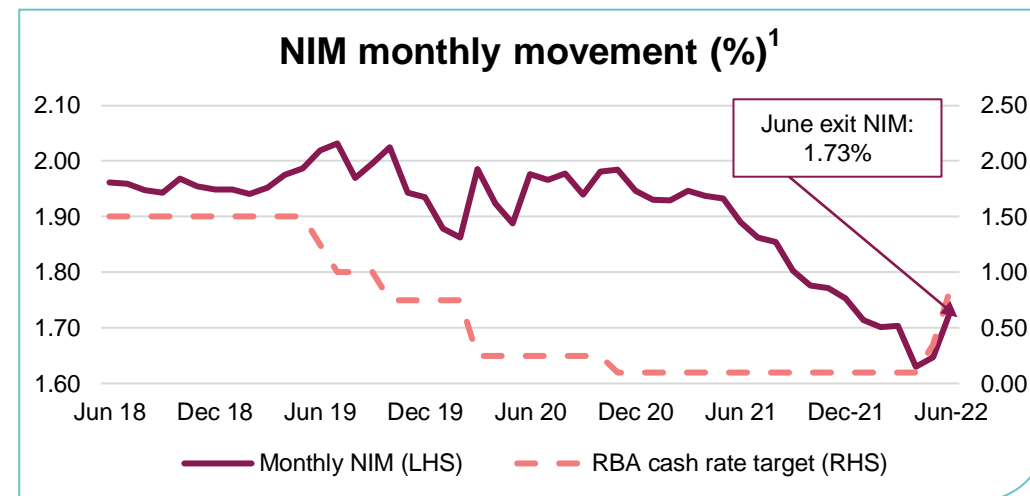
Impacted by competitive pressures, higher liquids and asset mix



Net interest margin

Impacted by competitive pressures partially offset by deposit pricing

2H22



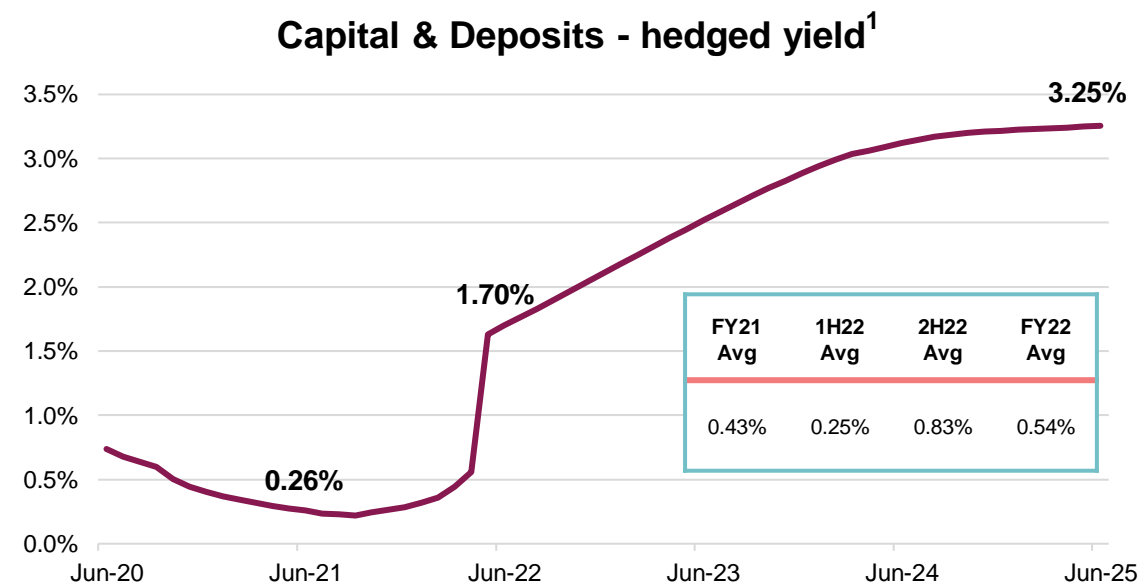
¹ Monthly NIM on a post revenue share basis

Net interest margin

Sensitivity to rising rate environment – Capital and deposit hedges

- Investment tenor extended in 2H22.
- Proportion hedged will vary over time
- **46bps** Group NIM benefit expected over next 3 years from impact of higher interest rates on replicating portfolio yields^{1,2}
- **27bps** NIM benefit in FY23^{1,2}
- Actual outcomes will be determined by a range of factors including, but not limited to: competition, future interest rates, capital and low rate sensitivity deposit volumes, AIEA volumes and investment strategy

	Portfolio Volume (\$b)	Hedge Term (Years)	Hedged Yield (%)	
			FY22 Avg	2H22 Exit
Capital	4	2.5	0.50	0.83
Deposits	13	5	0.57	2.06
Total	17	2.5 - 5	0.54	1.70



¹ Based on market-implied forward rates as at 9 Aug 22; and portfolio volumes and AIEA as at 30 Jun 22 (volumes assumed to be held constant).

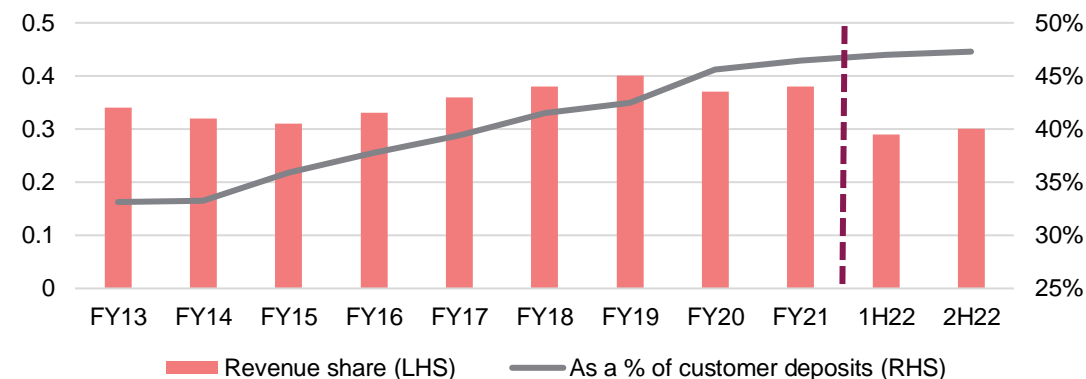
² Based on comparison between FY22 average yield and FY25 average yield. Includes hedged and unhedged components.

Net interest margin

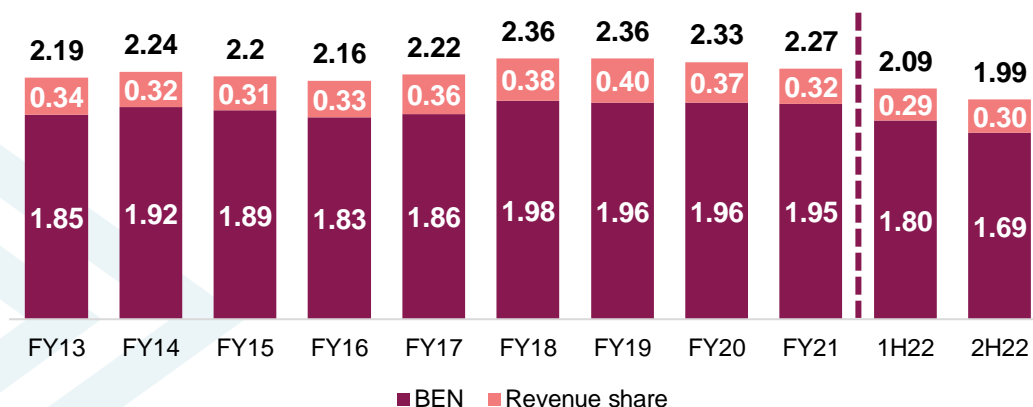
Sensitivity to rising rate environment – Community Bank revenue share

- Revenue share is influenced by product NIM (impacted by cash rates) and Community Bank (CB) volumes
- Over time, CB footings have grown at faster rate than BEN portfolio particularly in deposits, with an increasing proportion of higher margin call deposits relative to term deposits. Until FY19, revenue share had been growing
- As cash rates declined and loan pricing fell, relative profitability of low cost CB deposits declined, which placed downward pressure on revenue share since FY19
- If historic trends continue, both rising cash rates and rising proportion of deposit funding sourced from CB will have an upward influence on revenue share to Community Bank and other partners

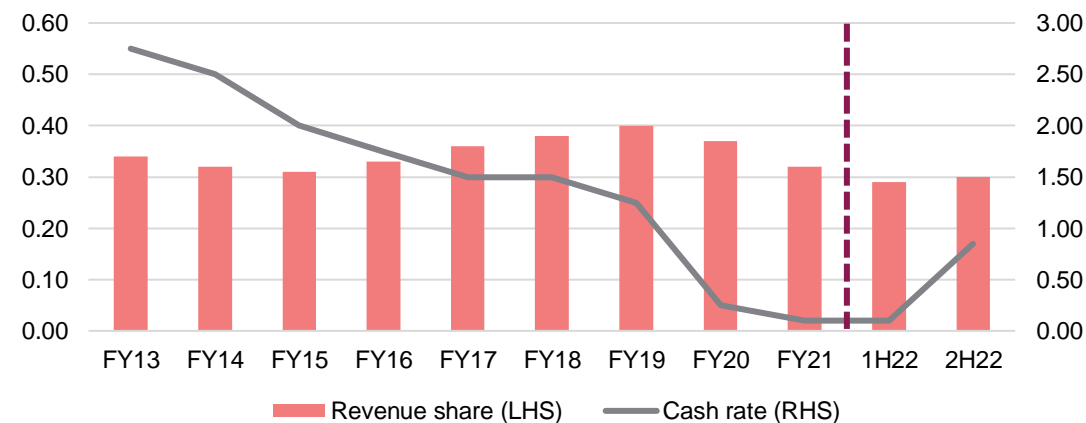
Revenue share v CB proportion of BEN customer deposits (%)



Historical NIM (%)¹



Revenue share vs RBA cash rate (%)²

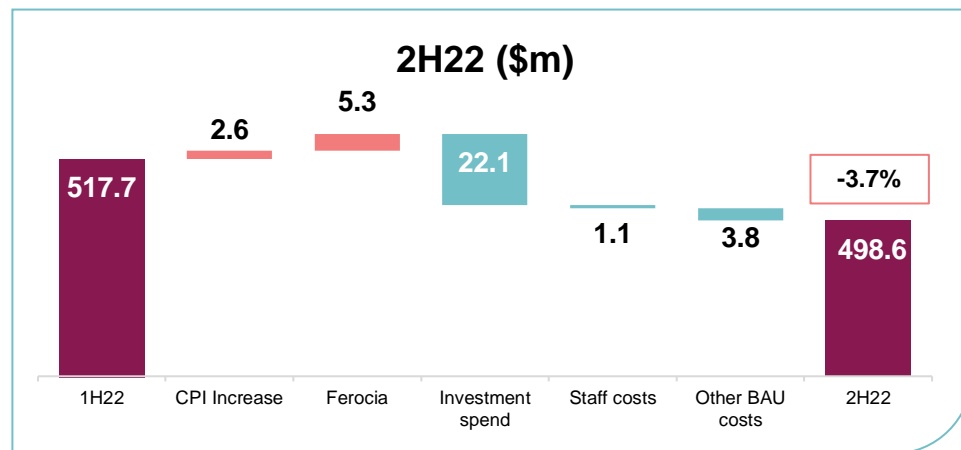


¹ Revenue share arrangements includes Community Bank and Alliance Bank

² RBA cash rate data as at end of period

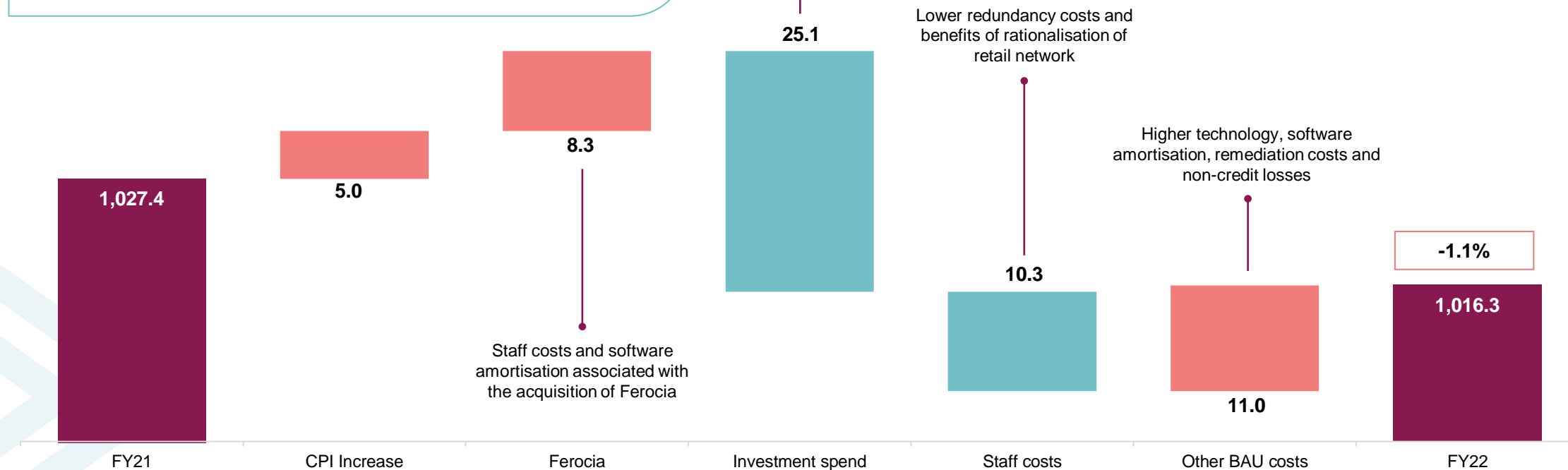
Operating expenses

Costs managed prudently, appropriate to revenue environment



FY22 (\$m)

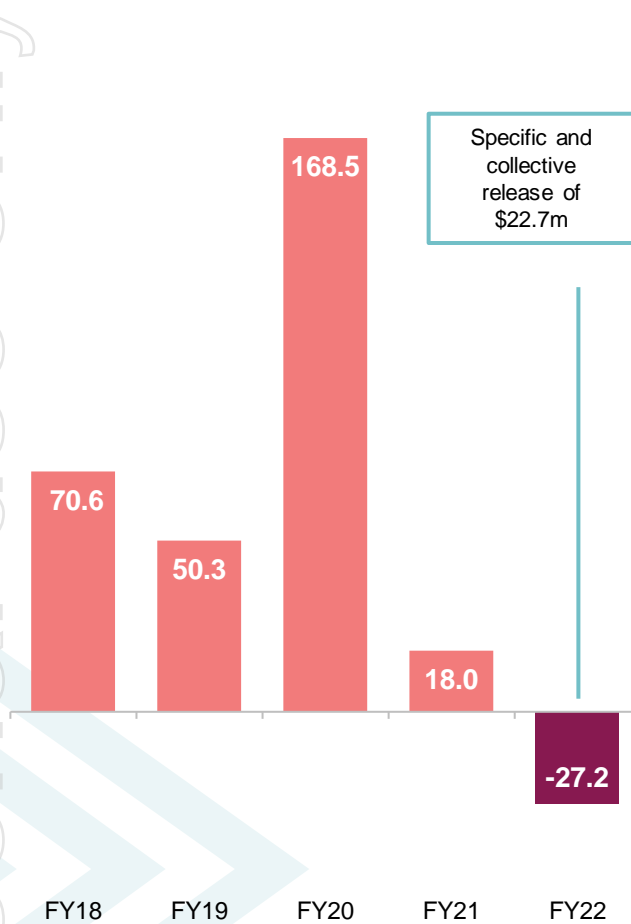
Investment expense reduced, particularly in 2H22, in response to slowing revenue environment



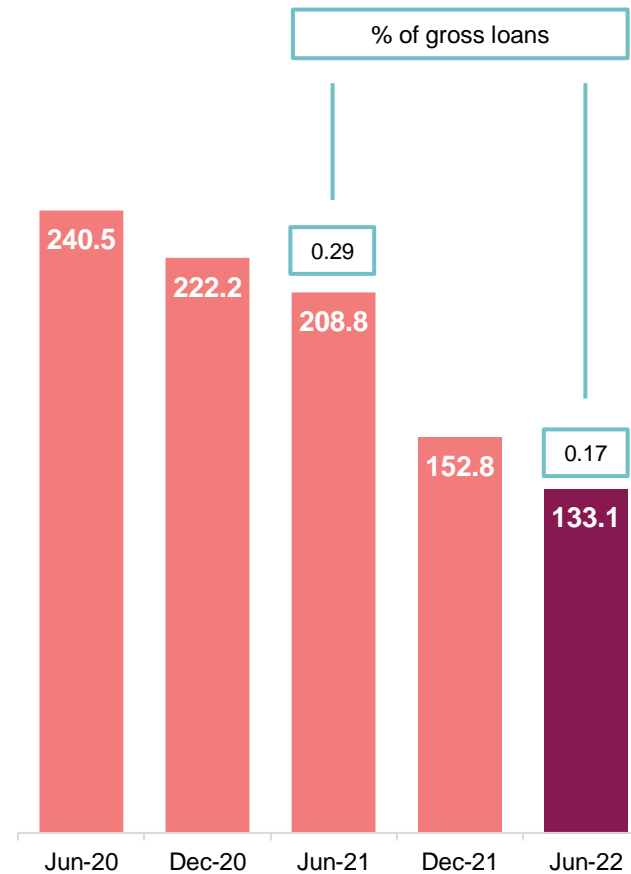
Credit quality

Continued reduction in credit expenses, supported by improving arrears

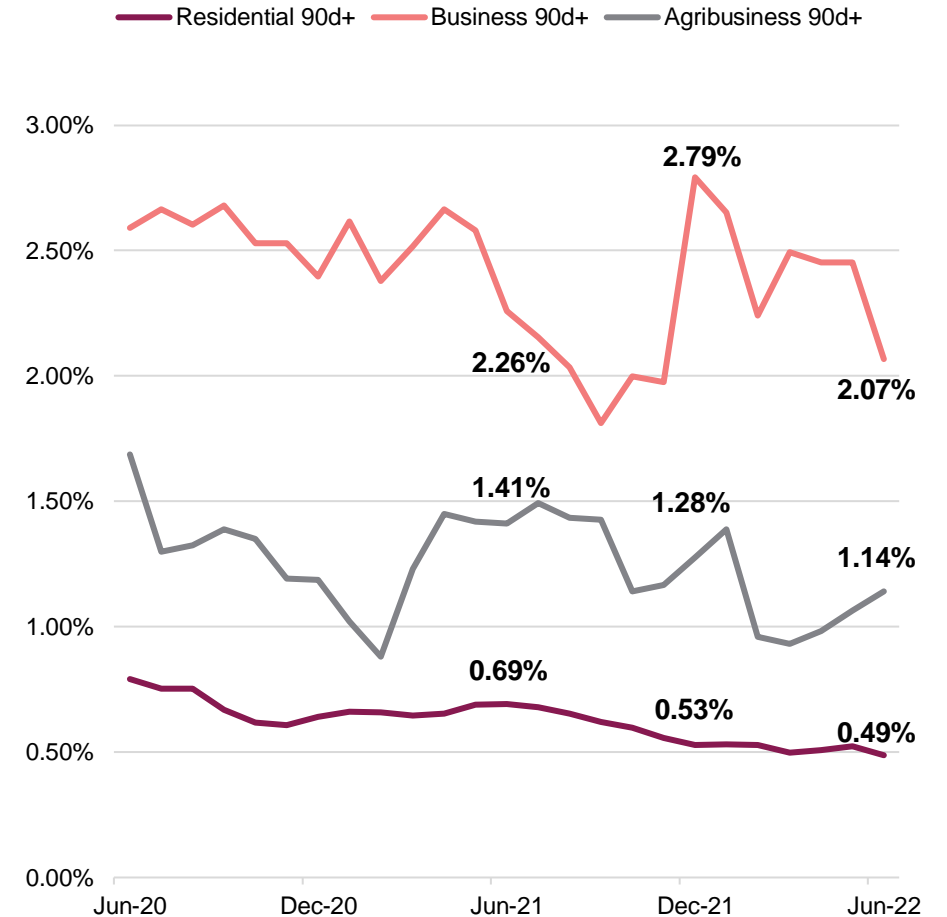
Credit expense (\$m)



Gross impaired loans (\$m)



Loan arrears

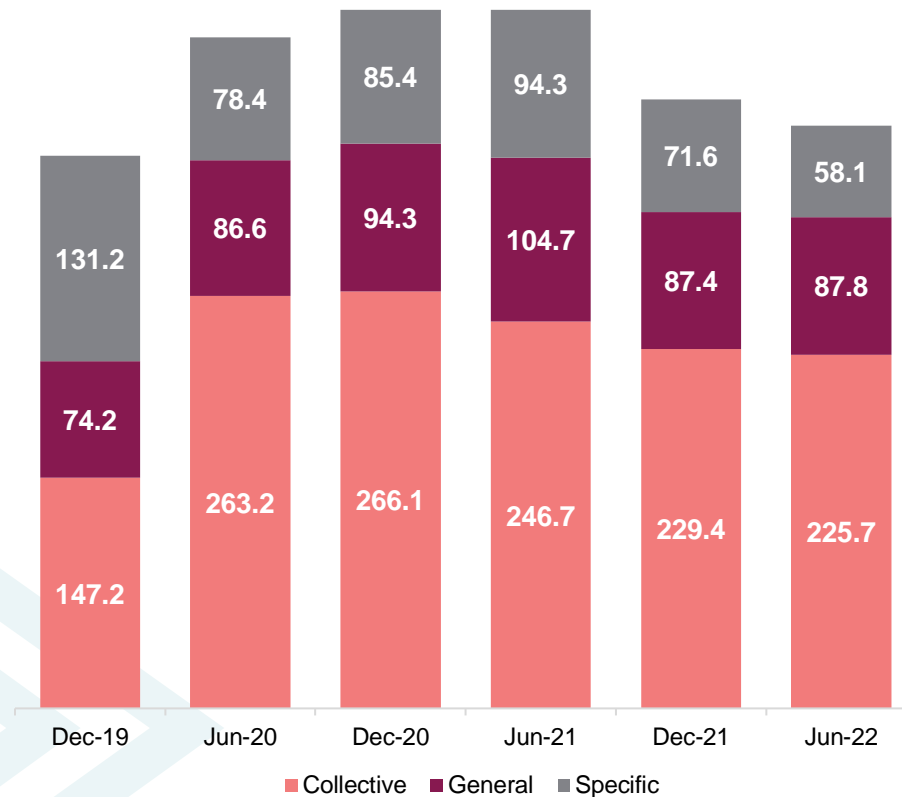


Note: Arrears include impaired assets and all arrangements

Provisioning

Reductions in COVID-19 overlays largely offset by increased sector overlays

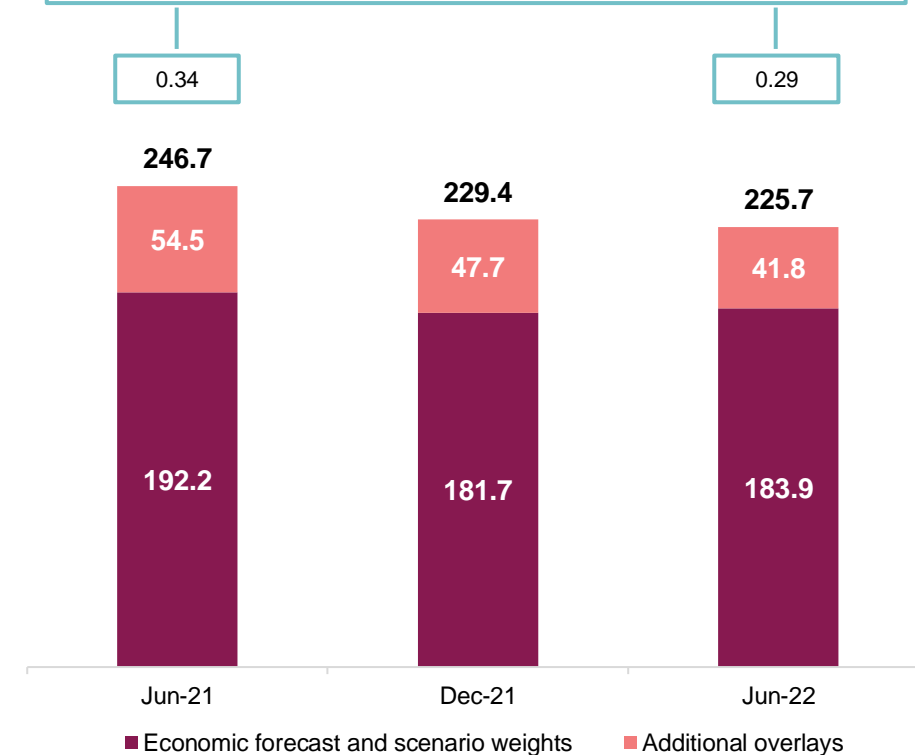
Total provisions (\$m)



Collective provisions (\$m)

- Sector overlays reflect the risks associated with:
 - Significant appreciation in farmland values
 - Potential deterioration in business conditions and cashflow
 - Deteriorating condition in the construction industry

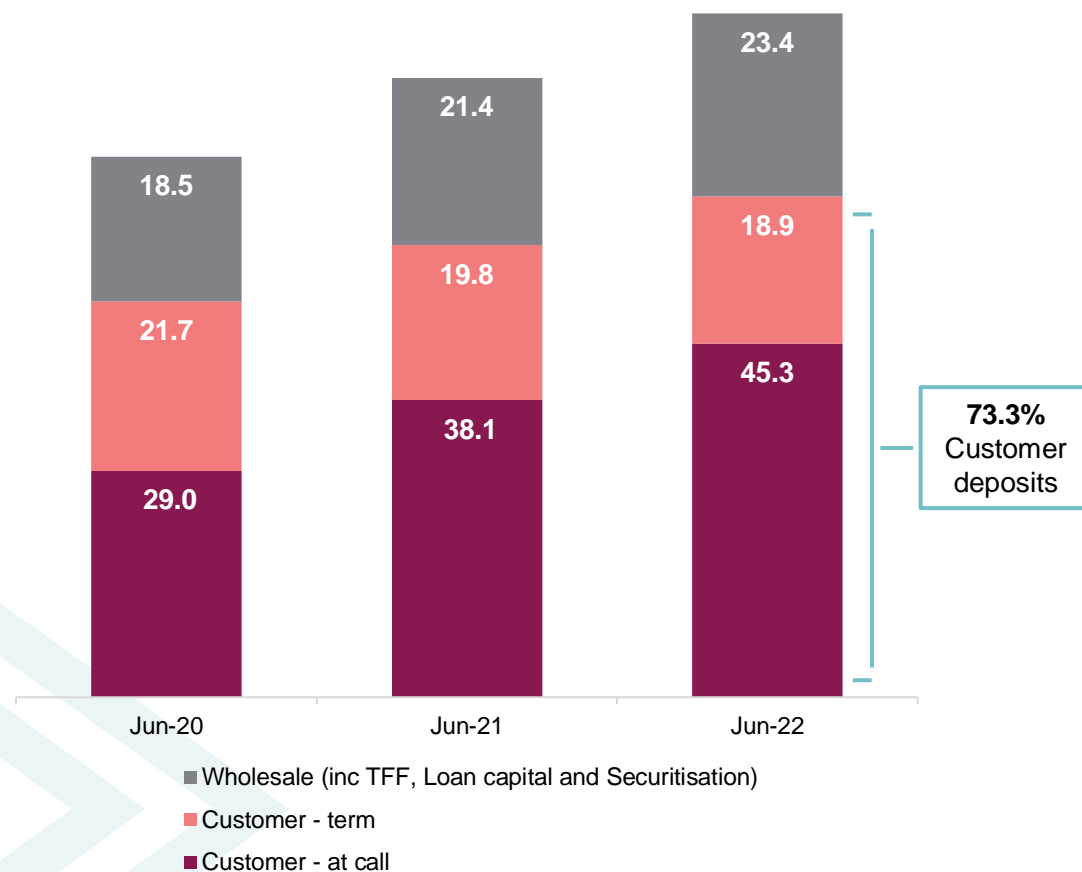
as % of gross loans



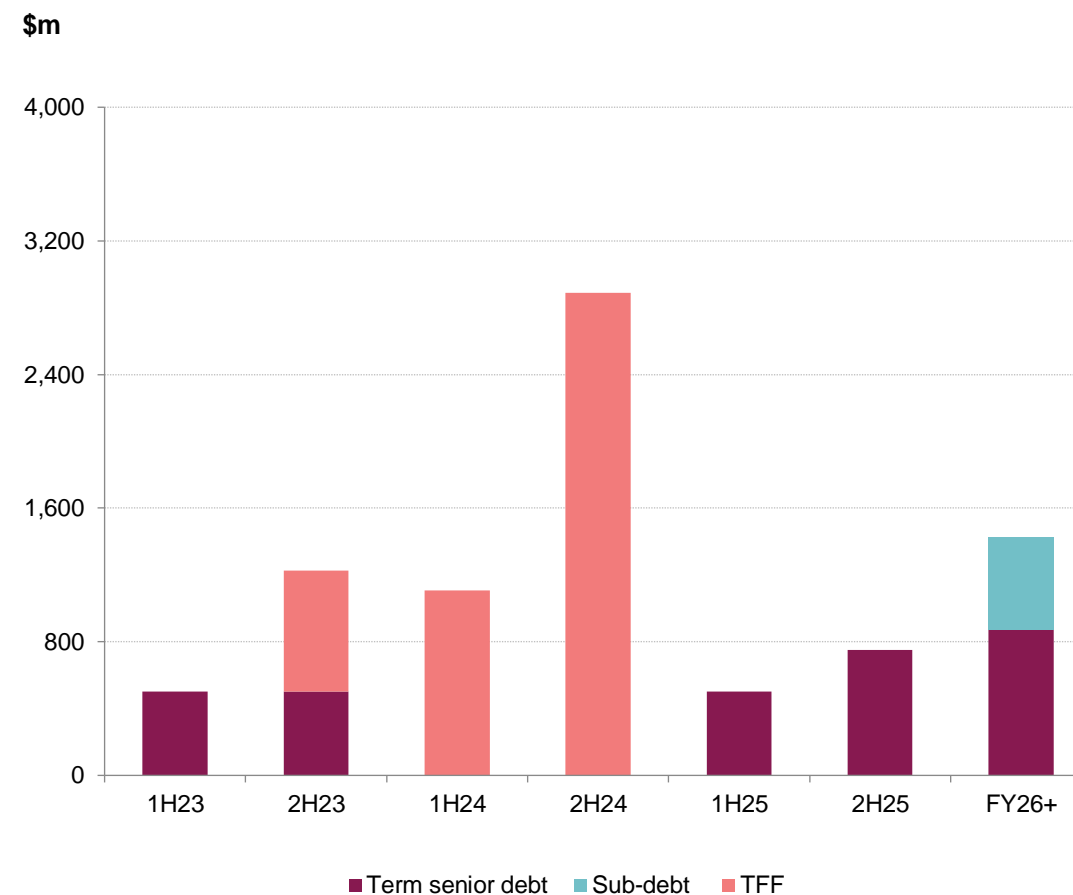
Funding and liquidity

Diverse range of funding across both retail and wholesale channels

Funding profile (\$b)



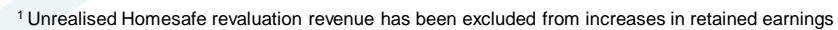
Term funding maturity profile^{1,2}



¹ Includes treasury issued products only

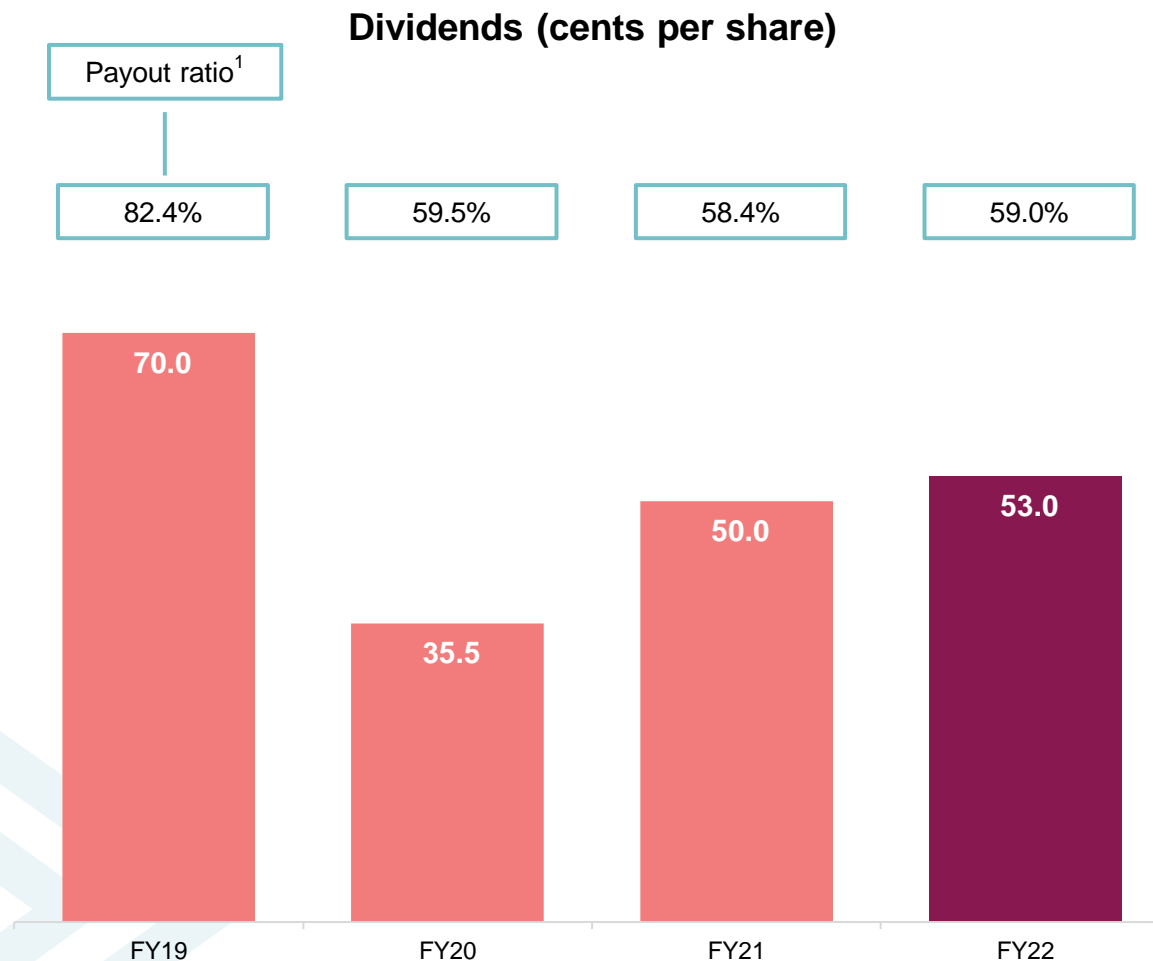
² Subordinated debt maturity refers to legal final maturity date.

Capital generation offset by growth in RWA and Capitalised Expenses



Dividend

Increased DPS supported by solid business performance



¹ Dividend payout ratio calculated on a cash basis

Capital considerations

- Dividend levels dependent on need to balance target capital levels, capital required to support balance sheet growth and desire to distribute imputation credits to shareholders
- Dividend levels managed to target range across the year, not by half
- Current expectation is that APS110/112 is expected to be broadly 'net neutral' after considering both the impact of the regulatory change and an increase in target capital levels

Medium term outlook

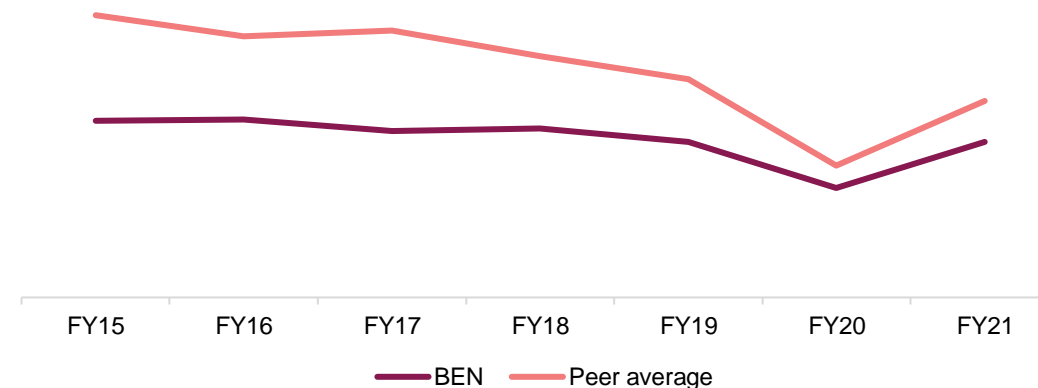
Income	<ul style="list-style-type: none">• Expect subdued lending growth and heightened competition for deposits• NIM should benefit from new replicating portfolio settings, largely offset by higher revenue share payments which are likely to exceed historical levels• Other income expected to decline in FY23 due to non-recurring items and lower fees and commissions
Operating expenses	<ul style="list-style-type: none">• Targeting broadly flat costs, noting various headwinds – increased investment opex, amortisation, wage and price inflation
Investment spend	<ul style="list-style-type: none">• Continued total investment spend at current levels through FY24, then declining
Credit expenses	<ul style="list-style-type: none">• Return to historical impairment levels over medium term

Priorities

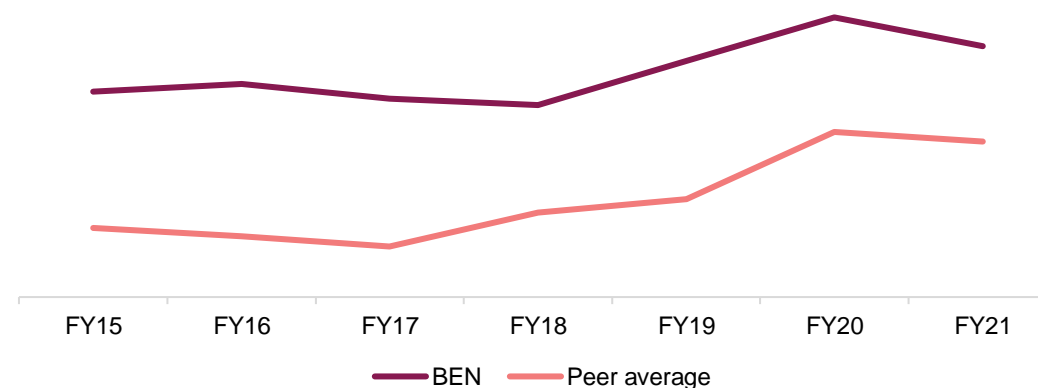
Heightened focus on cost management and capital utilisation

1. Targeting ROE at levels closer to peers in order to lift organic capital generation
2. Heightened focus on cost efficiency and volume vs margin management
3. Improving returns on investment cases

Cash ROE



Cost to income



Note: Peers average represents the average of the major banks and BOQ

Summary

Marnie Baker
Managing Director

In summary

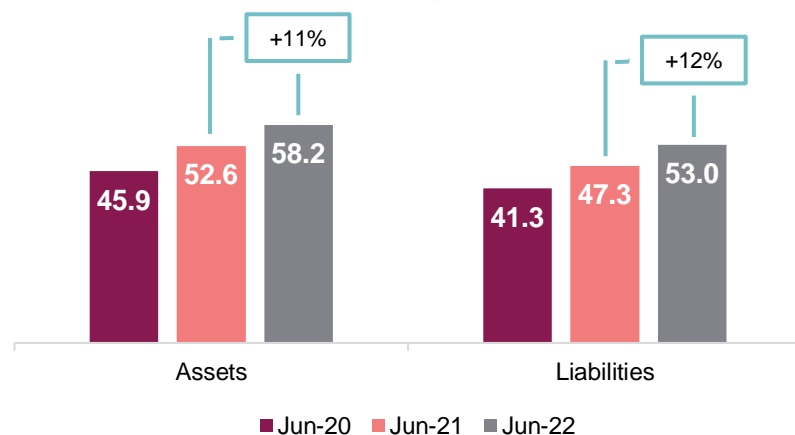
- Strategy remains consistent leveraging our unique strengths
- Resolute focus on customers and communities
- Rapidly changing environment
- Dynamic response required, with focus on factors within our control
- Strengthened focus on returns, execution and sustainability

Businesses and Divisions

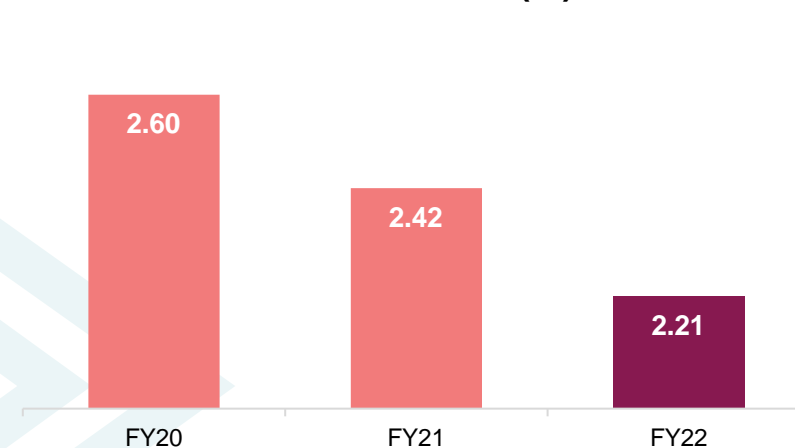
Businesses and Divisions –

Consumer Banking

FY22 volume growth (\$m)¹

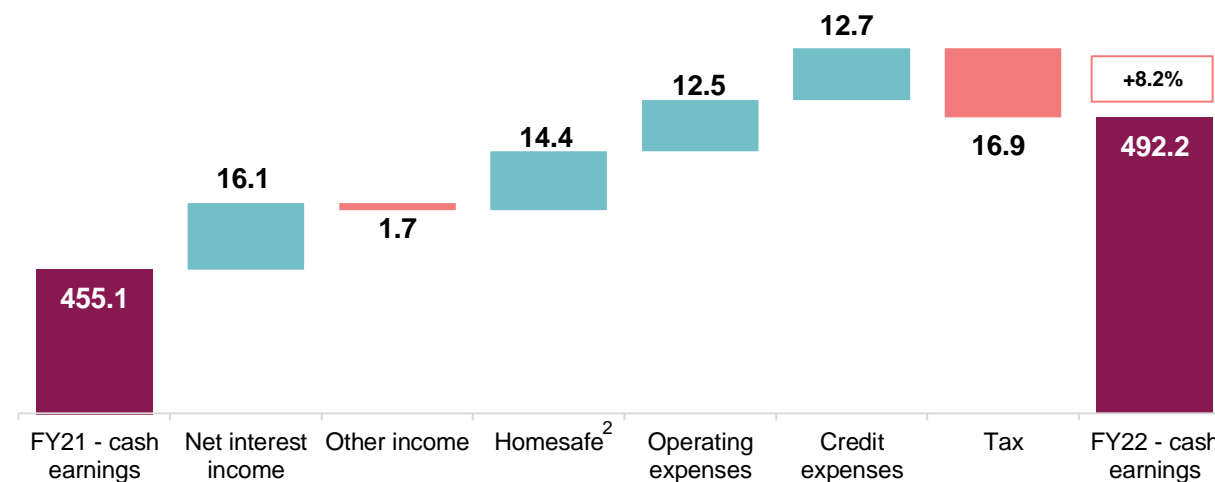


Divisional NIM (%)



- Net interest income increase driven by stronger lending growth partially offset by declining NIM
- Decline in operating expenses due to the benefit of branch rationalisation and sale of merchant services to Tyro
- Credit expenses benefited from partial release of collective provision and lower specific provision charges

Profit drivers (\$m)



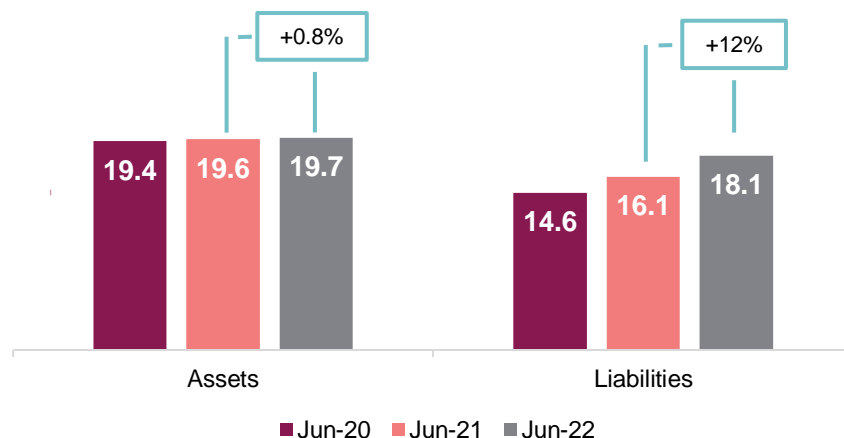
¹ Volume growth is based on assets and liabilities that are managed within the Consumer division as per the Appendix 4E segments. Includes investments.

² Homesafe net realised income after tax

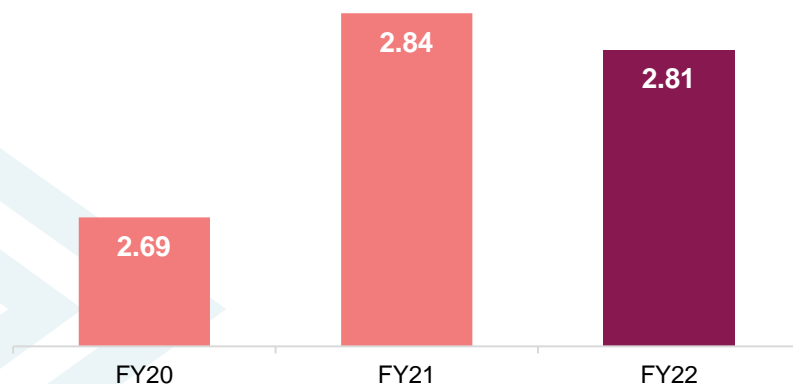
Businesses and Divisions –

Business and Agribusiness Banking

FY22 volume growth (\$m)¹

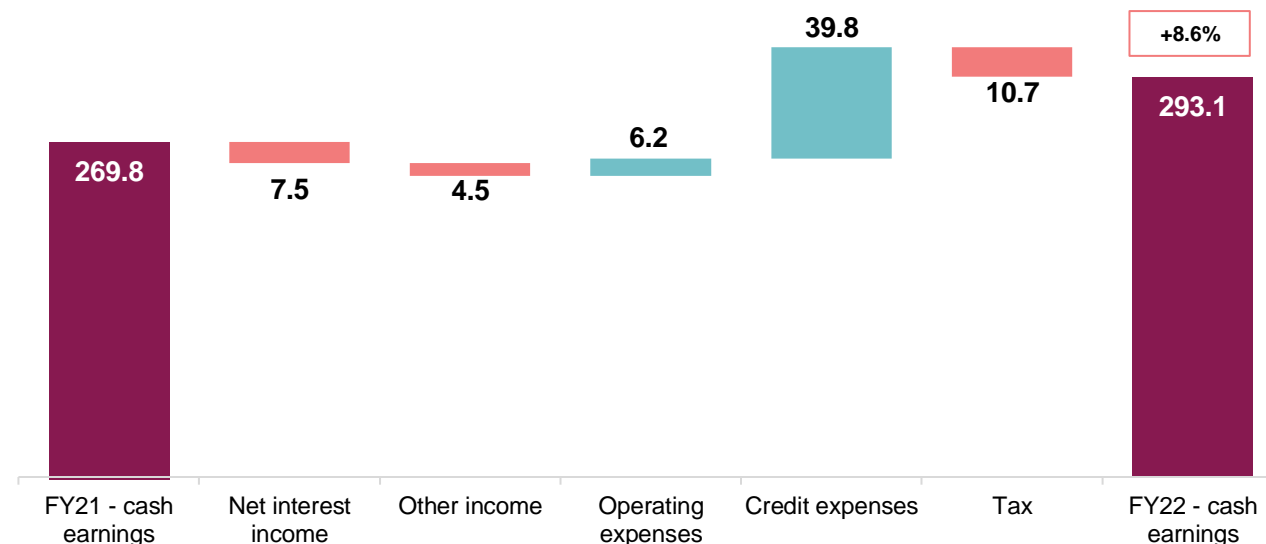


Divisional NIM (%)



- Net interest income decrease driven by lower average balances and declining margins over the year
- Other income decrease due to lower revenue from government services business partially offset by higher foreign exchange income (easing travel restrictions)
- Operating expenses decrease mainly due to lower staff costs (government services business and lower redundancies)
- Credit expense benefited from partial release of collective and specific provision

Profit drivers (\$m)



¹ Volume growth is based on assets and liabilities that are managed within the Business and Agribusiness division as per the Appendix 4E segments. Includes investments.

Businesses and Divisions

Up - Australia's leading digital bank



Most Trusted Bank¹
and

#1

Rated banking app²
with **NPS of 72³**

550,000

Customers of which 47% are
considered 'active monthly'

Up Home

Soft launch in July 22 leveraging
Tic:Toc platform

54,000+

Customers with home buyer
savings intentions identified

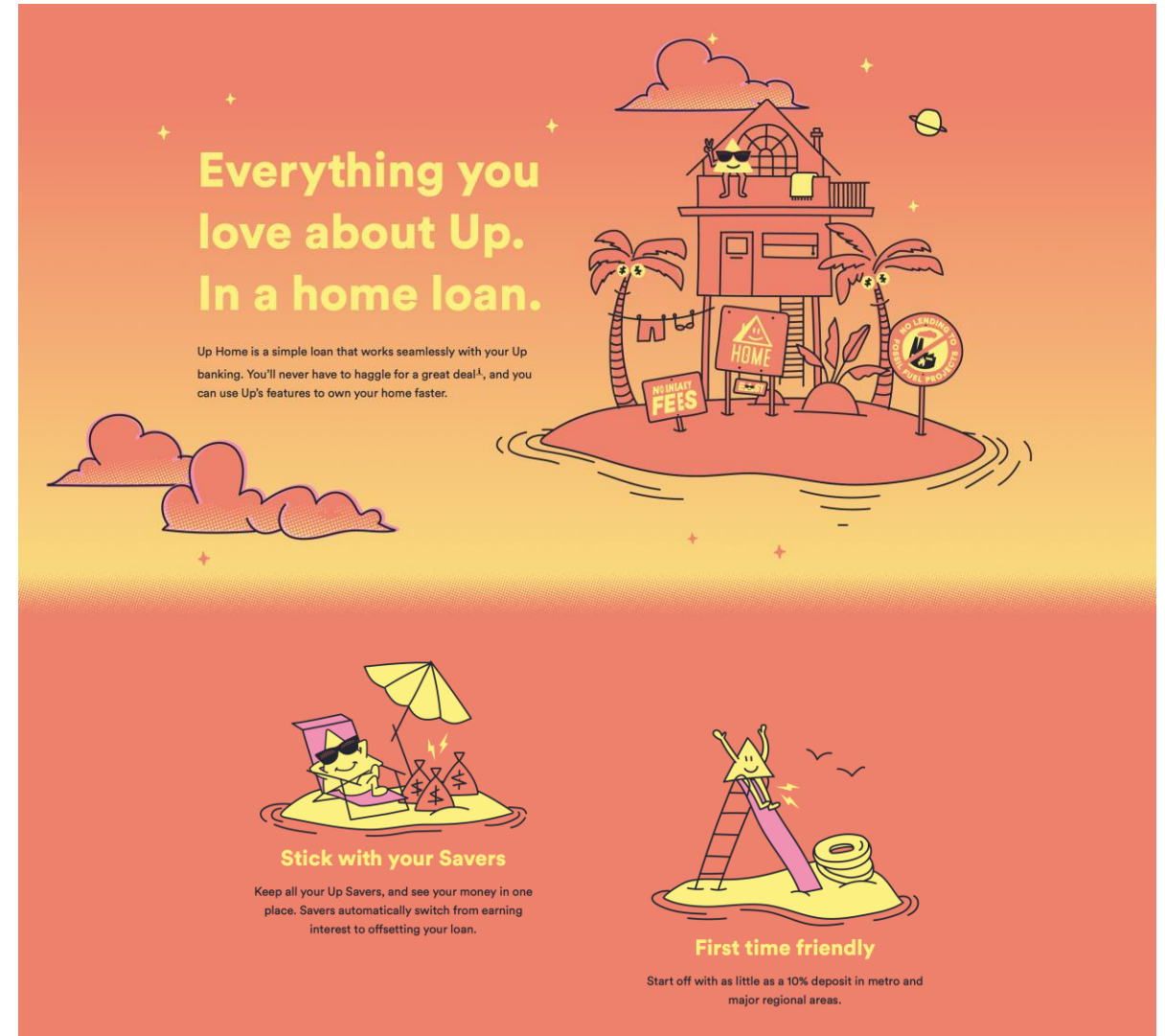
\$1bn+

Of Deposits

>30% growth in balances yoy
~3.1% growth mom in accounts
@below-peer interest cost

Maybuy

launched in August 2022



¹ DBM Australian Financial Awards 2022 – 16 May 2022

² Up is rated the #1 banking app on the App Store (4.9) and Google Play (4.3) as at 31 Jul 2022

³ Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average as at June 22

Businesses and Divisions

Community Bank - 'Profit with purpose' model

307

Community Bank
branches across Australia

Over **\$272m** in
community contributions¹

915,000+

Local customers and
organisations'

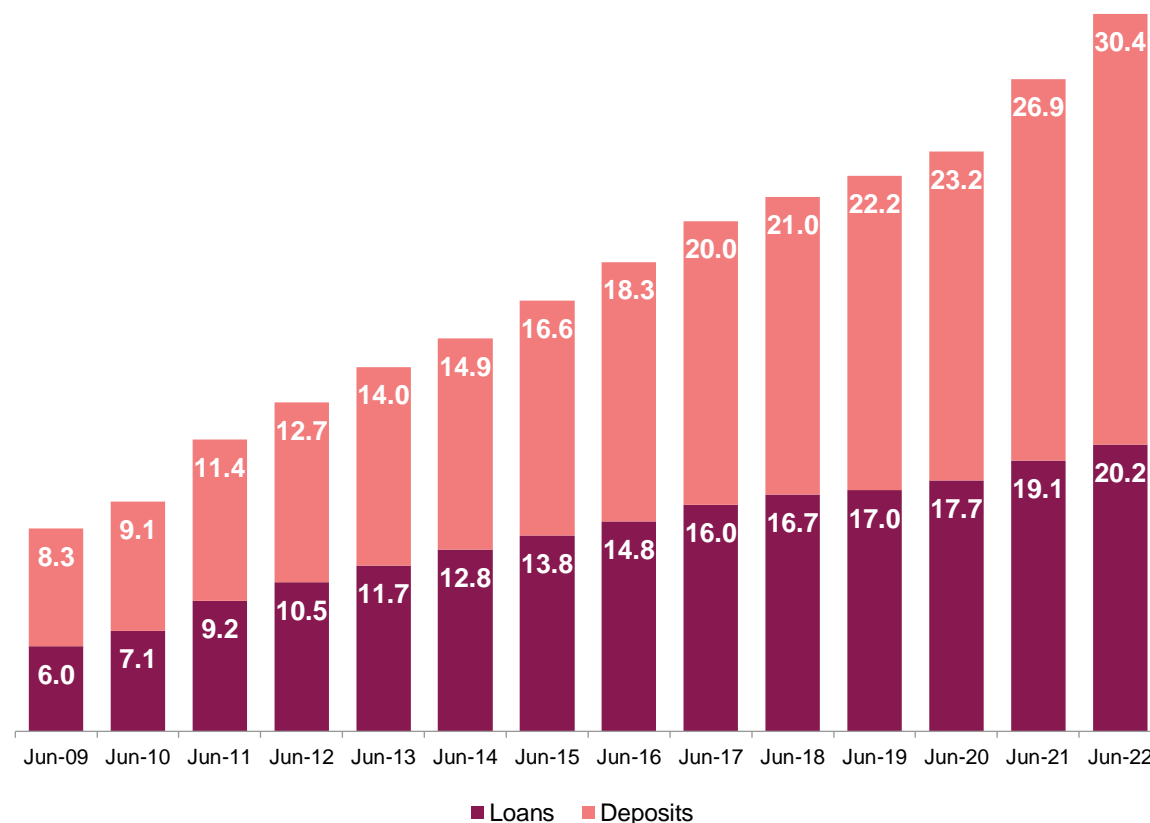
70,000+

Community Bank
shareholders and 1,600+
directors

**Investments have supported critical
local sporting, education, health, arts
and cultural initiatives**

Community Bank footings (\$b)²

*Community Bank branches are a significant source
of stable customer deposits for the broader Group,
increasing \$2.5b in FY22*

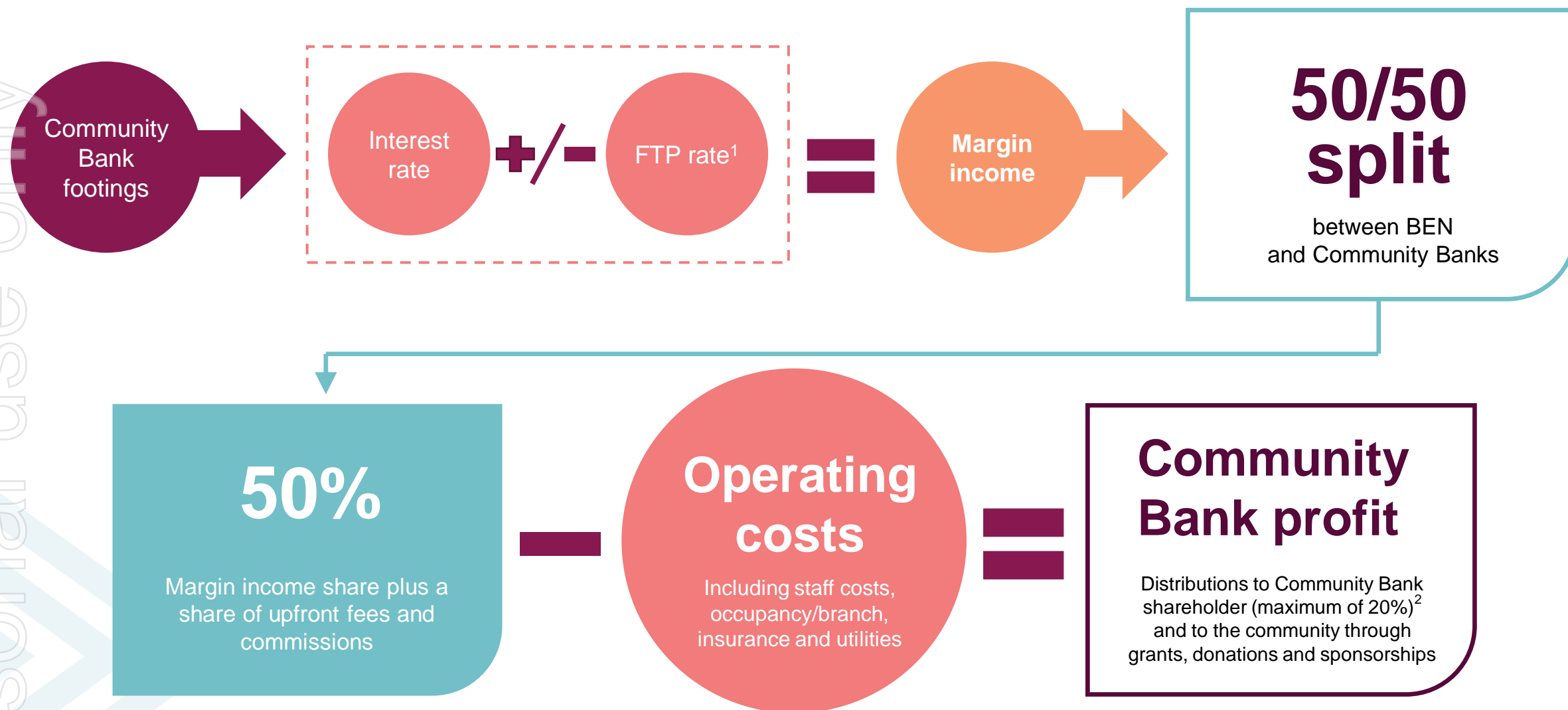


¹ Includes total sponsorships, donations and grants – data as at 30 June 2021

² Community Bank footings include Private Franchises (4 branches in total). Loans and deposits includes total lending and deposits in Community Bank's from both personal and business customers

Businesses and Divisions

Community Bank – How the revenue share works



Note: Community Bank footings include home loans, business loans, credit cards, margin loans, at call accounts, term deposits. FTP is not used across all products.

¹ FTP = Fund Transfer Pricing. FTP methodology is independently audited.

² Dividend calculation is subject to terms and conditions.

Businesses and Divisions

Tic:Toc - Leading Digital Home Loan platform

tic:toc

3 primary drivers of Tic:Toc's value for BEN:

1. Platform drives significant and high-quality home loan volumes

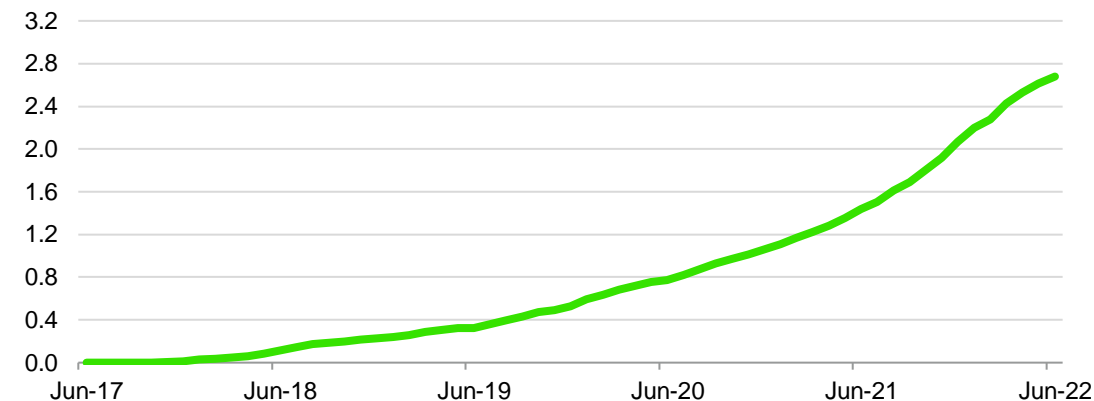
- 64% increase YoY in home loan approvals
- 87% increase YoY in home loans settlements
- 90d+ arrears rate of 0.02% (2H22) remains well below industry average.
- <2% Tic:Toc volume has DTI $\geq 6X$ compared to 23% across ADIs¹

2. Tic:Toc adds capability and know-how

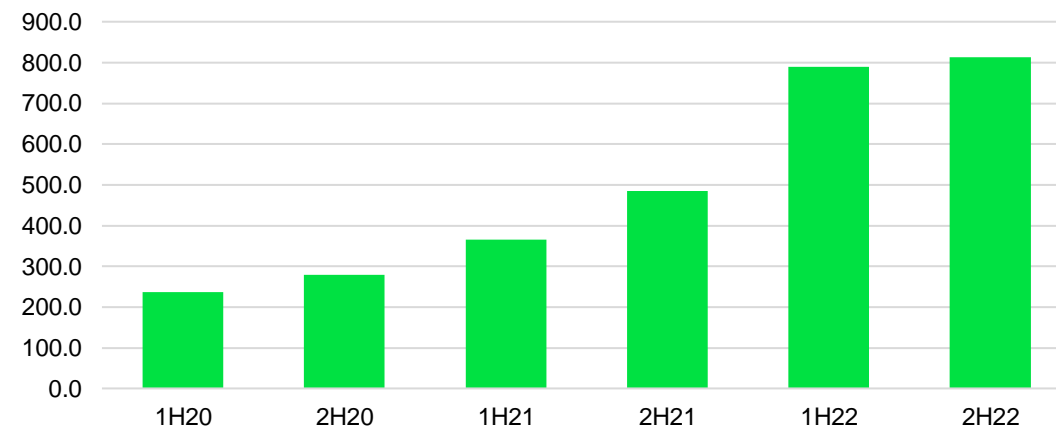
- Lower cost of home loan origination for the Bank via Tic:Toc Home Loans, Bendigo Express digital home loan and future digital home loan propositions
- Powering new digital product, Up Home, soft launch in 2022
- Machine guided decisioning enables Tic:Toc assessors to be >8x more efficient than traditional lending processes
- Platform automation levels enable loan fulfillment with as little as 6 minutes of human effort. Median turnaround time for customers across Tic:Toc's platform is <1 day
- Tic:Toc's platform is configured and licensed for two of Australia's largest five banks, and 17 SaaS customers

3. Bendigo and Adelaide Bank has a 27% shareholding

Portfolio balance (\$b)



Settlements (\$m)



¹ APRA Monthly Banking Statistics June 2022

Businesses and Divisions

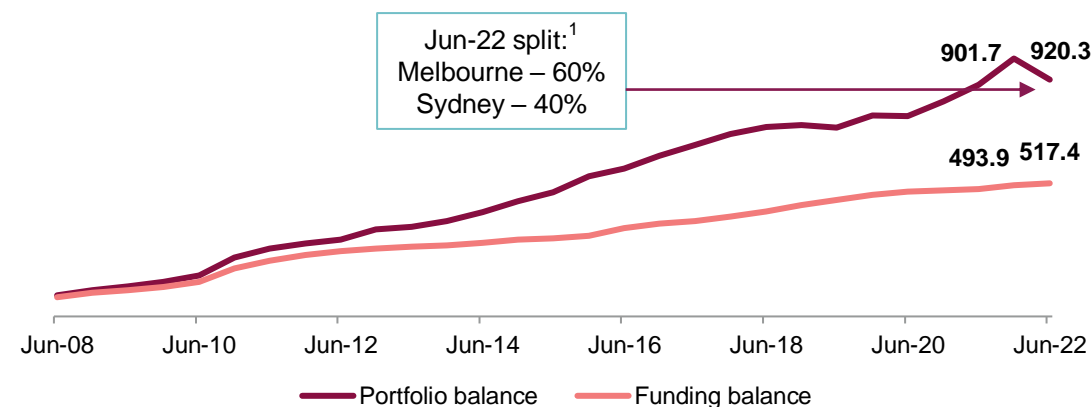
Homesafe

- The value of completions has led to a strong contribution to cash earnings in 2H22
- Proceeds on contracts completed during 2H22 exceeded carrying value by \$3.0m
- Average annual return on completed contracts since inception is 9.8% p.a, pre funding costs
- Property valuation growth assumptions amended -5% year 1, -2% year 2 and +4% year 3+
- Property values would need to fall by 44% before any impact on regulatory capital
- Continue to actively engage with interested parties

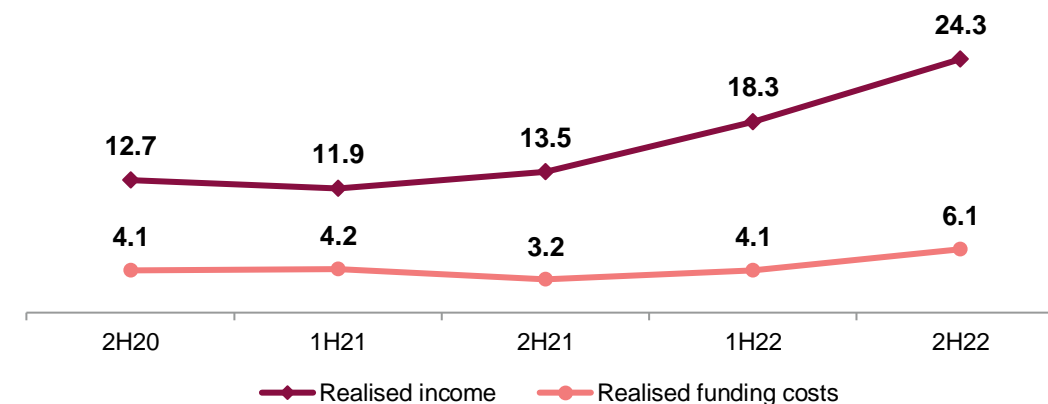
	2H22 (\$m)	1H22 (\$m)	2H21 (\$m)
Discount unwind	13.7	13.1	11.7
Profit on sale	3.0	4.9	3.5
Property revaluations	(83.8)	87.6	60.9
Total	(67.1)	105.6	76.1

¹ % split of portfolio calculated on total portfolio balance

Homesafe portfolio & funding balance (\$m)



Realised - income vs funding costs (\$m)



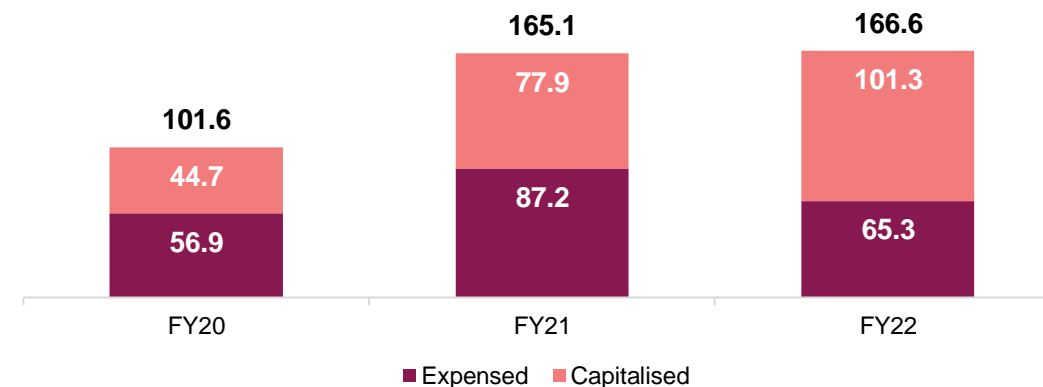
Investment spend

Continuing to invest for longer-term simplification benefits

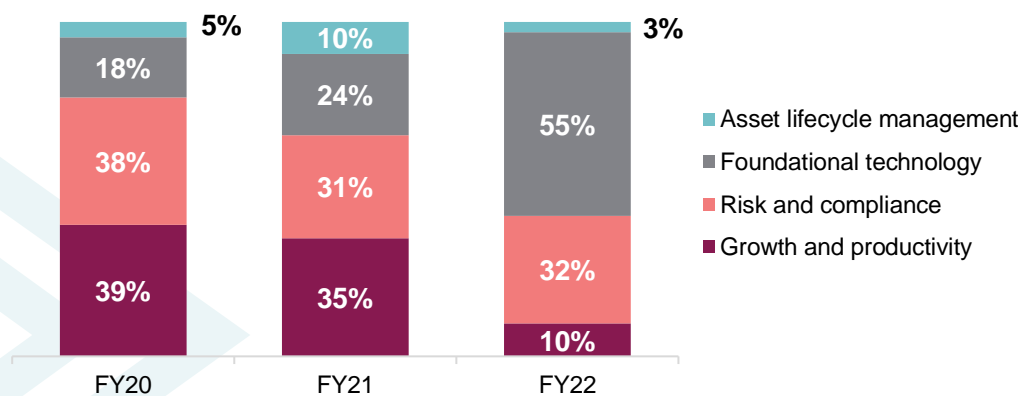
Top 5 projects by spend (\$m):

- Core banking simplification (foundational technology)
- Foundational lending (foundational technology)
- Delphi bank integration (foundational technology)
- Open Banking data assets (Risk and compliance)
- Up Digital Bank

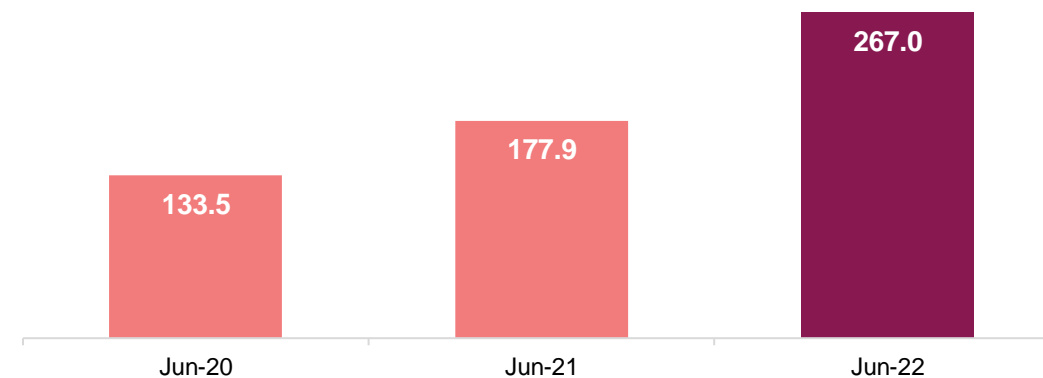
Investment spend (\$m)¹



Investment classification



Capitalised software balance (\$m)²



¹ FY22 expense portion includes \$3.1m from Alliance Bank restructure costs which are treated as a non-cash adjustment

² Capitalised software balance includes software under development

Financials

Transformation program

	FY19	1H22	FY22	FY24
# brands	13	10	10	3
# core banking systems	8	8	7	1
# IT applications	650	570	491	325
% applications in the Cloud	1%	13%	19.9%	50%
% of API re-use	0%	25%	26%	40%
Median time to decision (home loans) ¹	22 days	14 days	13 days	≤1 day
% automated credit decisioning (home loans) ²	0%	~10%	~10%	70-90%
% active eBanking customers ³	58.3%	65.9%	68.0%	90%
% sales by digital channels ⁴	19.2%	22.2%	23.9%	60%

¹ Median time to decision (home loan) relates to Third Party Banking channel. Median time to decision (unconditional) includes pending and withdrawn loans. The actual average time to "initial" (conditional) decision as published in BrokerPulse May 2021 excludes pending and withdrawn loans and Adelaide Broker average time to initial decision is currently 5 days (#7 in the market)

² Includes loans originated through BEN Express and Tic:Toc platform

³ Covering approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo and used eBanking in last 3 months (Bendigo Bank) and last 1 month (Up)

⁴ A change to the reporting methodology in January 2022 resulted in a data cleanse and restating the 1H22 result from 24.7% to 22.2%.

Lending, funding and liquidity

Lending, funding and liquidity

Residential lending portfolio

Residential metrics ^{1, 2, 3}	Flow		Portfolio		
	2H22	1H22	Jun-22	Dec-21	Jun-21
Retail lending	36%	44%	48%	50%	51%
Third Party Banking lending	64%	56%	52%	50%	49%
Lo Doc	0.01%	0.01%	0.4%	0.5%	0.7%
Owner occupied	77%	71%	69%	67%	66%
Owner occupied P&I	95%	94%	95%	94%	93%
Owner occupied I/O	5%	6%	5%	6%	7%
Investment	23%	29%	31%	33%	34%
Investment P&I	69%	69%	65%	63%	60%
Investment I/O	31%	31%	35%	37%	40%
Variable	76%	46%	57%	53%	59%
Fixed	24%	54%	43%	47%	41%
First home buyer %	19%	14%	13%	12%	11%
Mortgages with LMI	5%	7%	13%	15%	17%
Negative equity			0.12%	0.25%	0.40%
Average LVR	65%	66%	55%	56%	56%
Dynamic LVR			52%	55%	58%
Average loan balance	\$469k	\$455k	\$290k	\$278k	\$267k
90+ days past due			0.49%	0.49%	0.65%
Impaired loans			0.06%	0.08%	0.10%
Specific provisions			0.02%	0.03%	0.04%
Loss rate			0.003%	0.002%	0.006%

¹ Loan data represented by purpose. Excludes Alliance Bank and Keystart data. Arrears includes impaired loans and all arrangements.

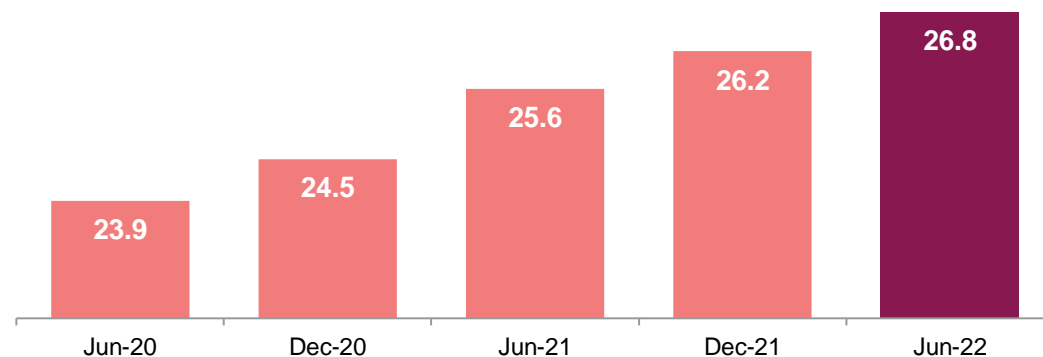
² Average LVR based on unweighted accounts. Flow metric is based on origination LVR, portfolio is based on current LVR (current balance against security value on file)

³ Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residential Security only and excludes Delphi and Portfolio Funding exposures (2.1% of total EAD))

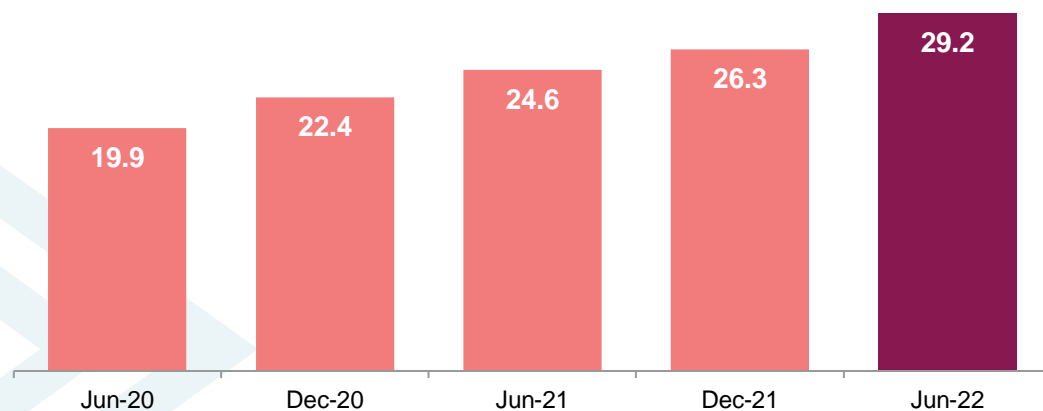
Lending, funding and liquidity

Residential lending portfolio

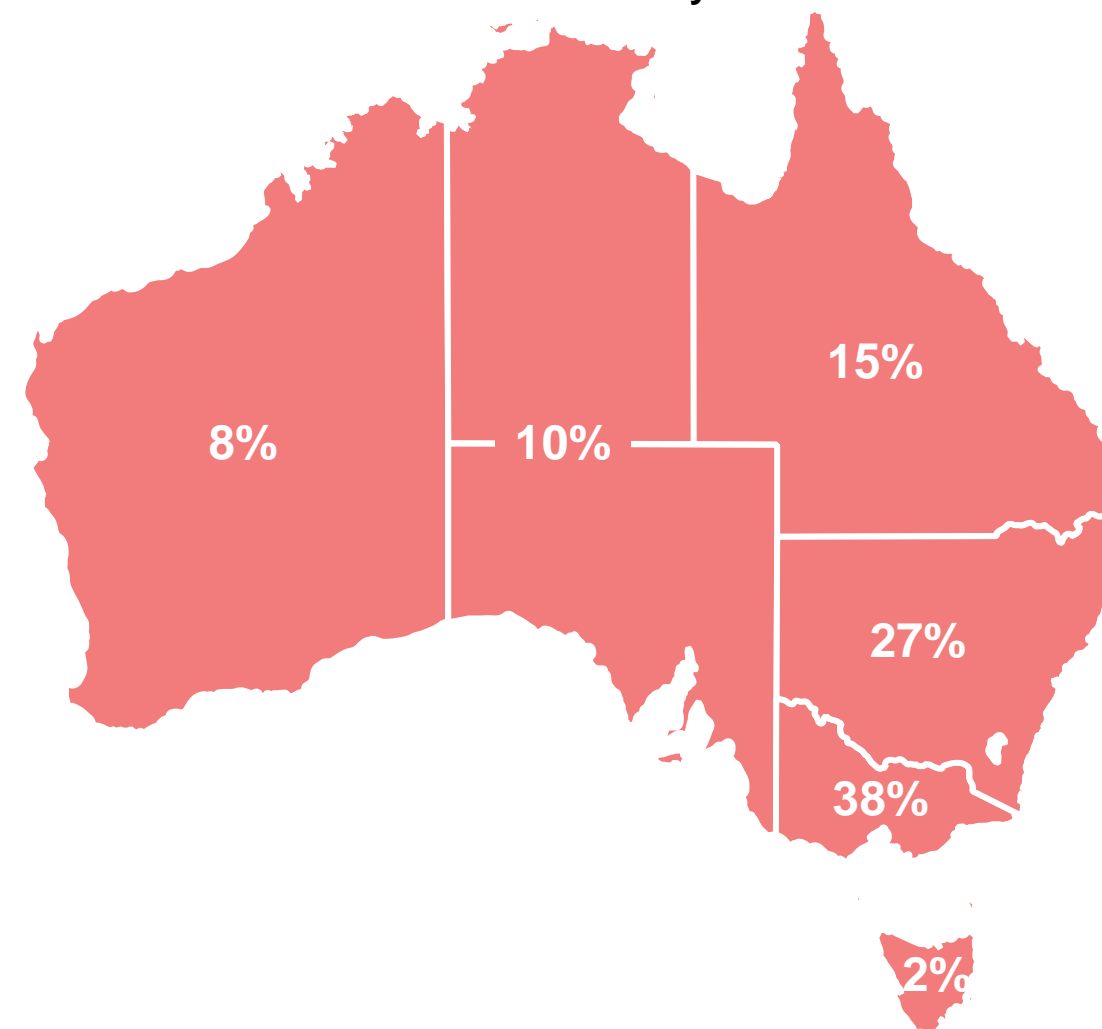
Retail - portfolio (\$b)¹



Third Party Banking - portfolio (\$b)¹



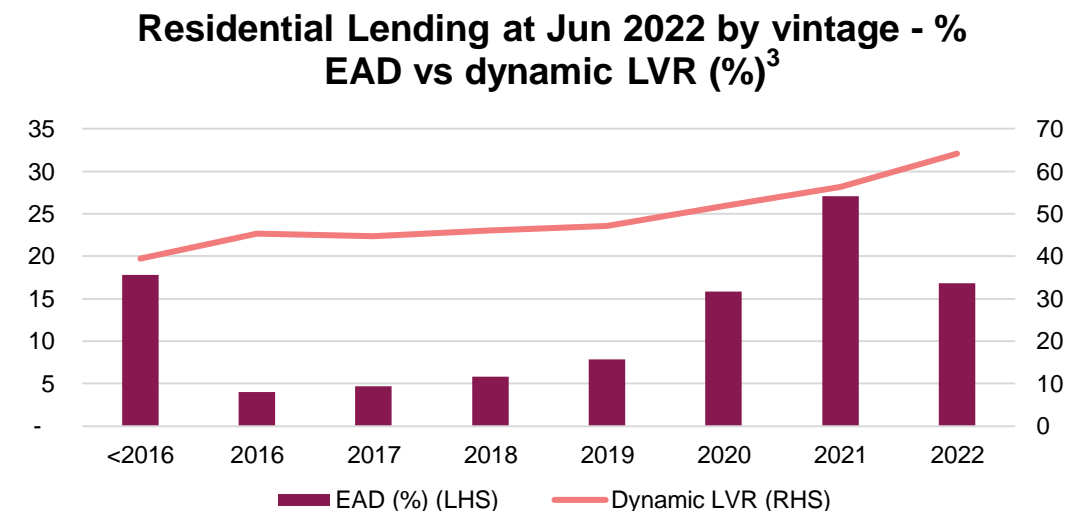
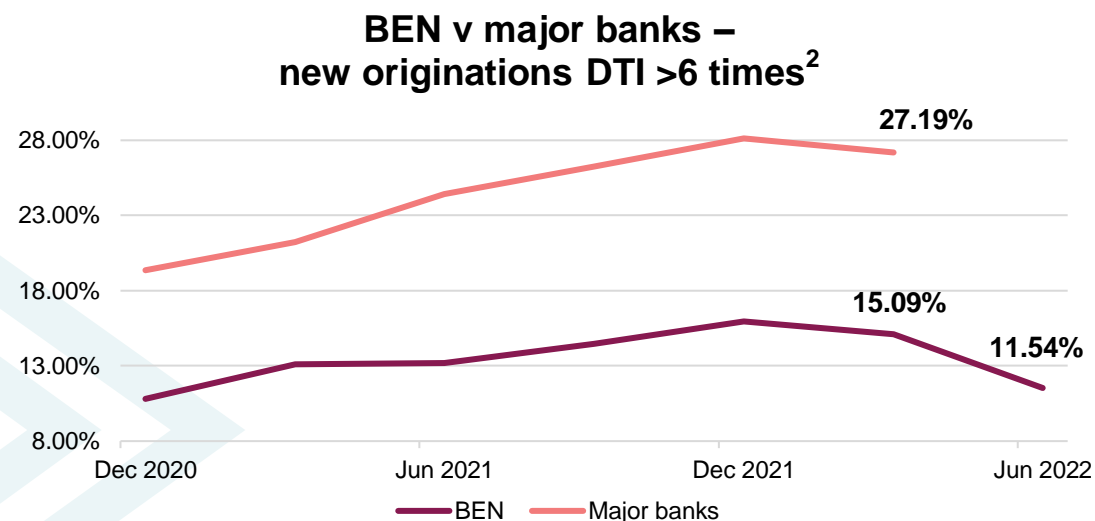
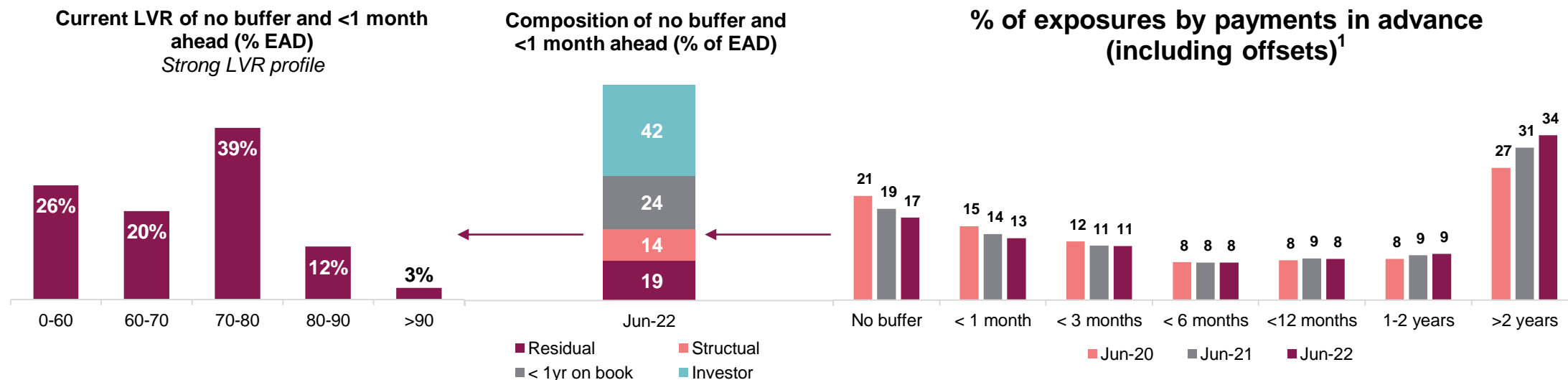
Residential balance by state



¹ Loan portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Retail includes Delphi, excludes Alliance Bank and Portfolio Funding

Lending, funding and liquidity

Residential lending portfolio



¹ Number of monthly payments ahead of minimum monthly payment (based on pre-arrangement); includes offset facilities and excludes HELOC products. Available for Retail, Third Party Banking and Alliance Bank Partners (94% of exposures)

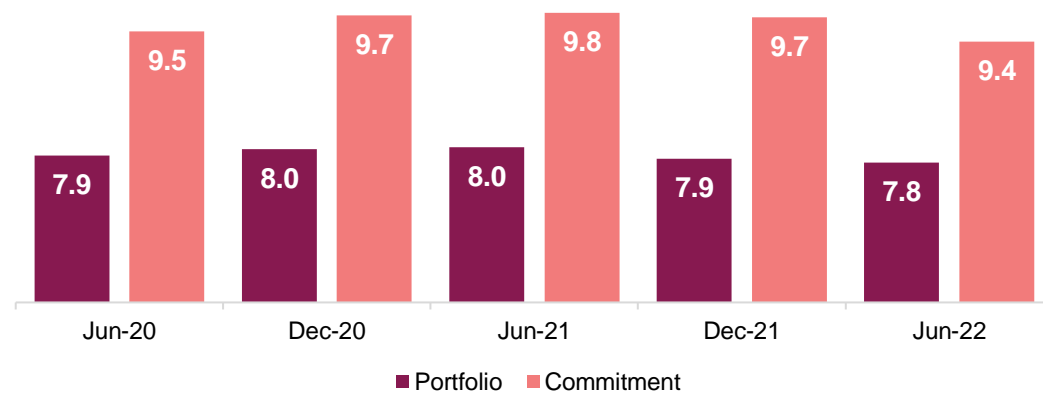
² APRA Quarterly authorised deposit-taking institution property exposure statistics – Dec 2020 to Mar 2022 and the Bank's statistics

³ Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residential Security only and excludes Delphi and Portfolio Funding exposures (2.1% of total EAD))

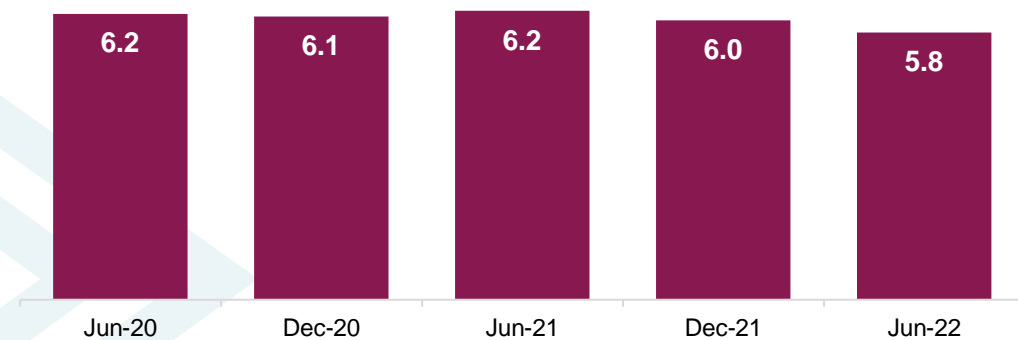
Lending, funding and liquidity

Business lending portfolio

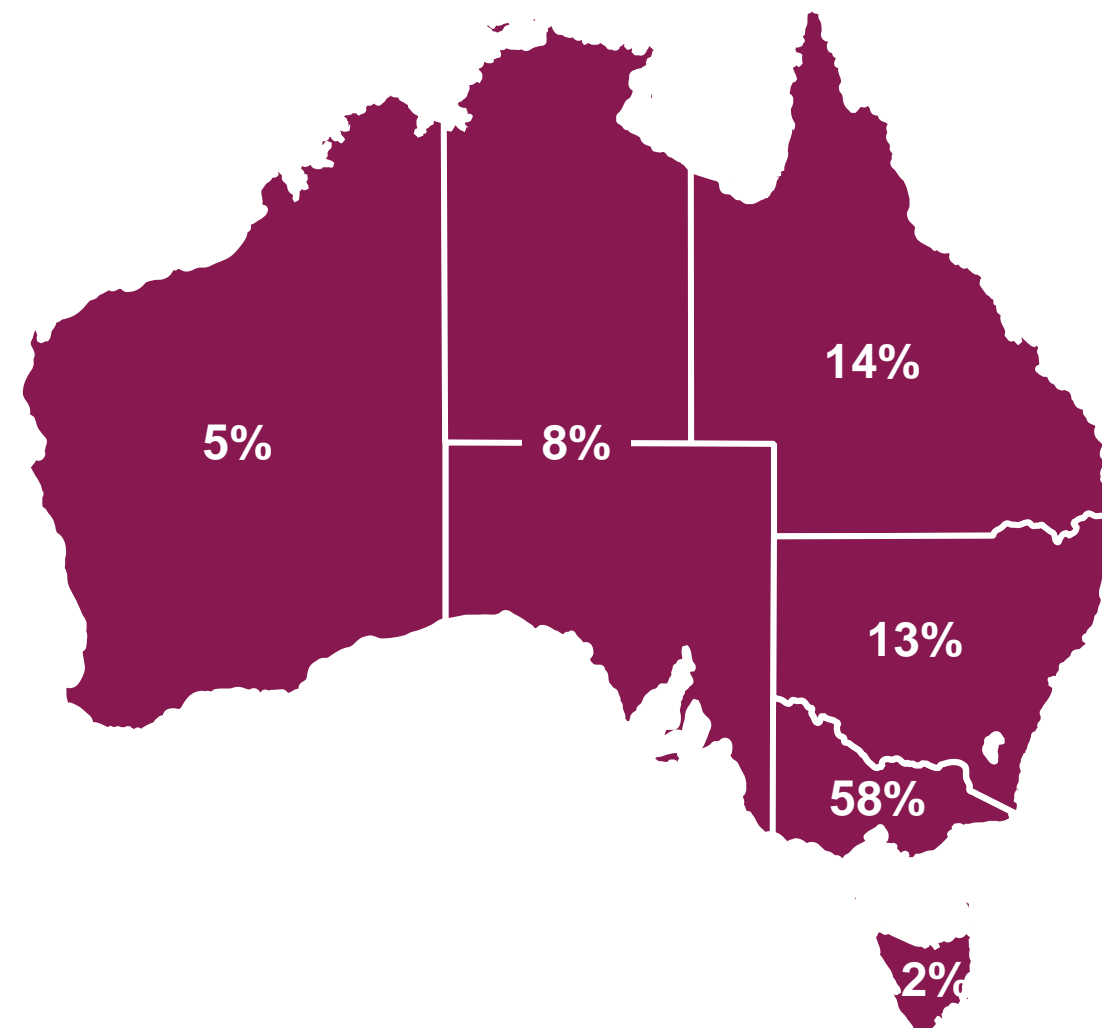
Business portfolio (\$b)¹



SME segment (\$b)²



Business balance by state



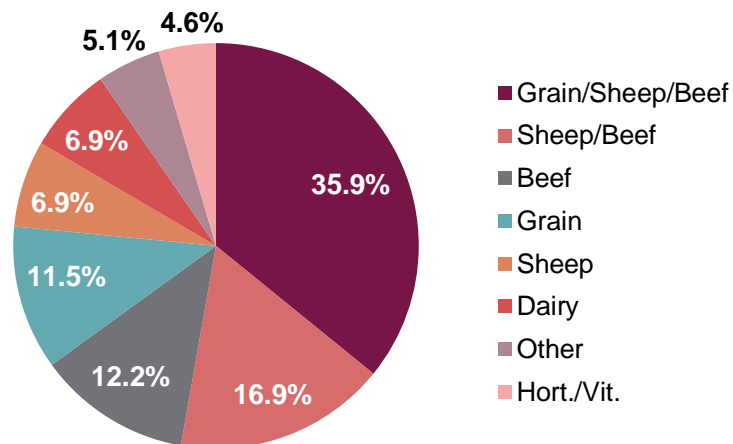
¹ Business portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Excludes Portfolio Funding

² SME is an internal definition using Small Business, Middle Markets, Delphi, Equipment Finance, Debtor Financing and Adelaide Bank Commercial Broking.

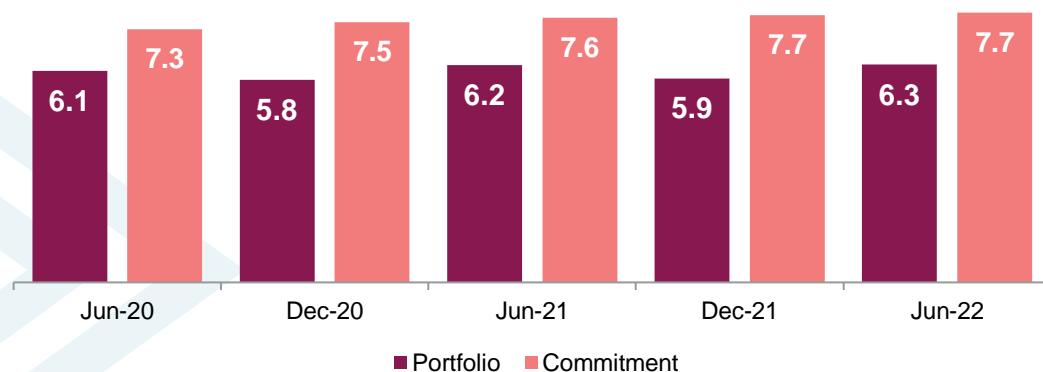
Lending, funding and liquidity

Agribusiness lending portfolio

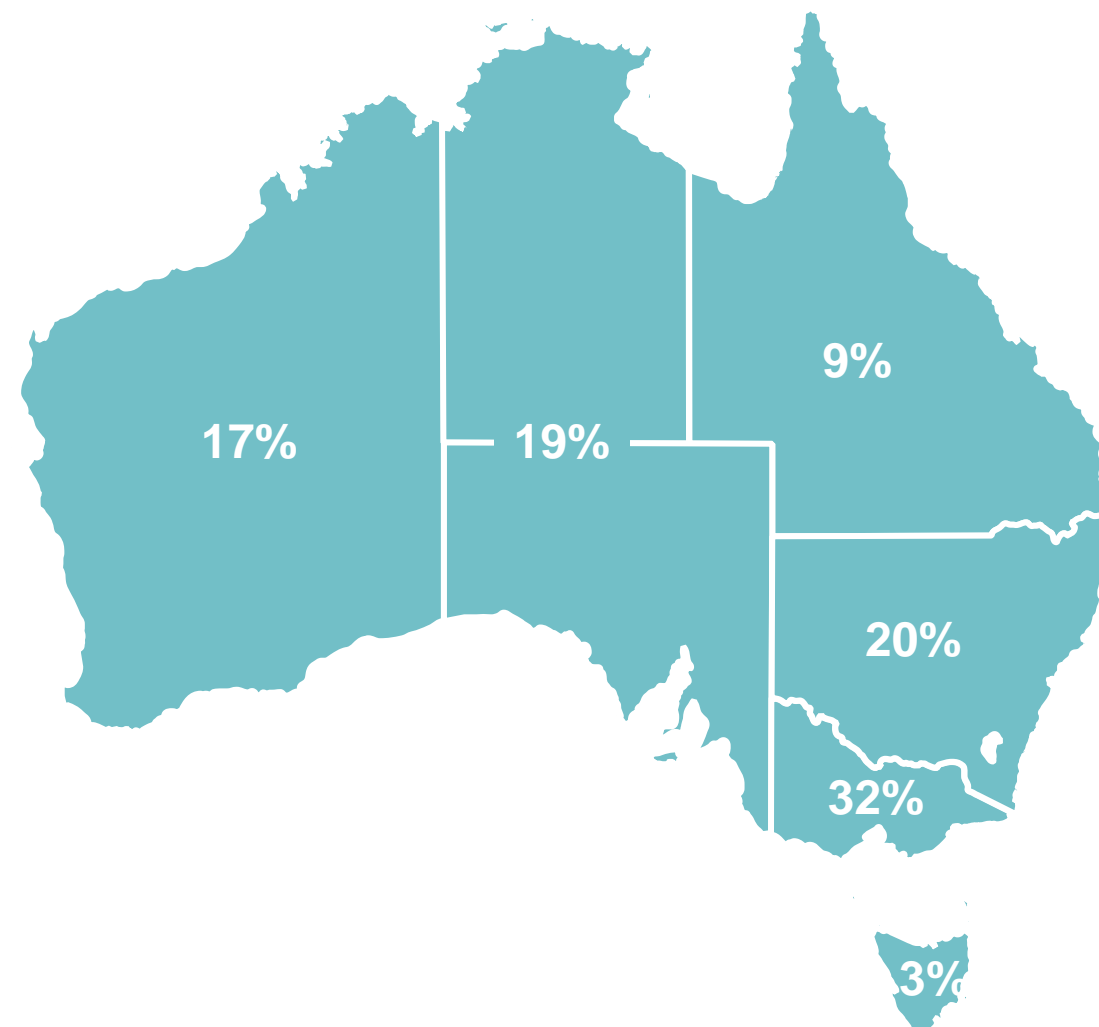
Agri exposure by industry



Agribusiness portfolio (\$)



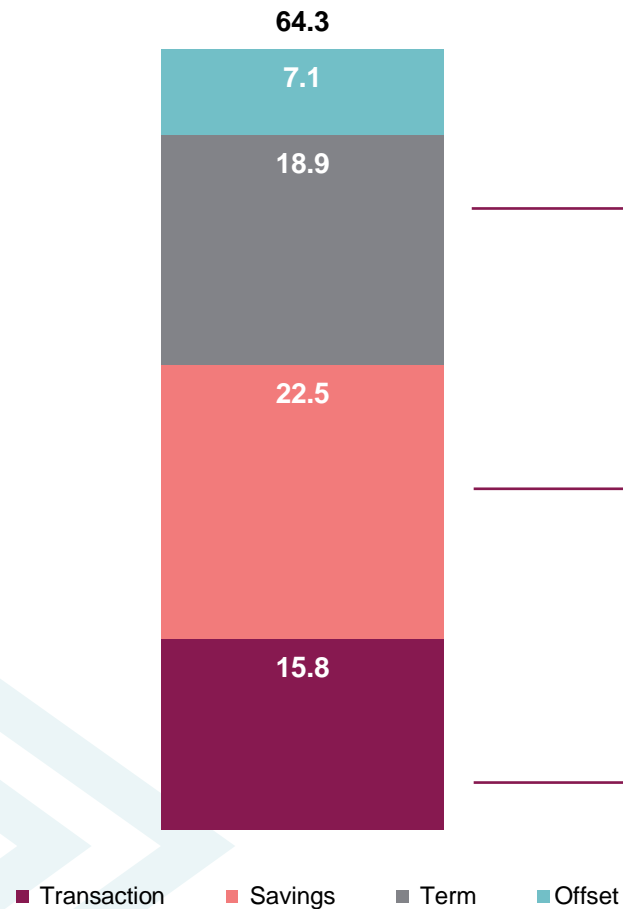
Agribusiness balance by state



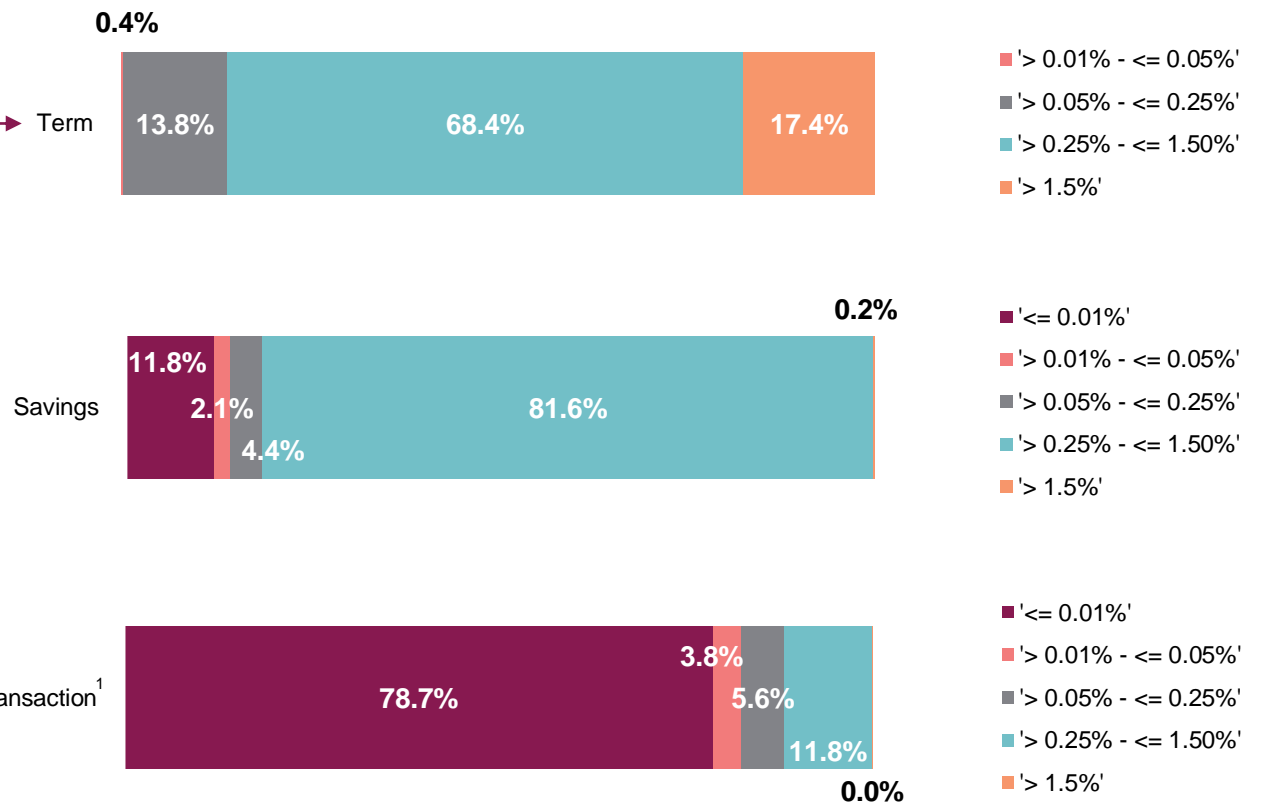
Lending, funding and liquidity

Customer deposits

Customer deposit – split (\$b)



Customer deposit – funding costs

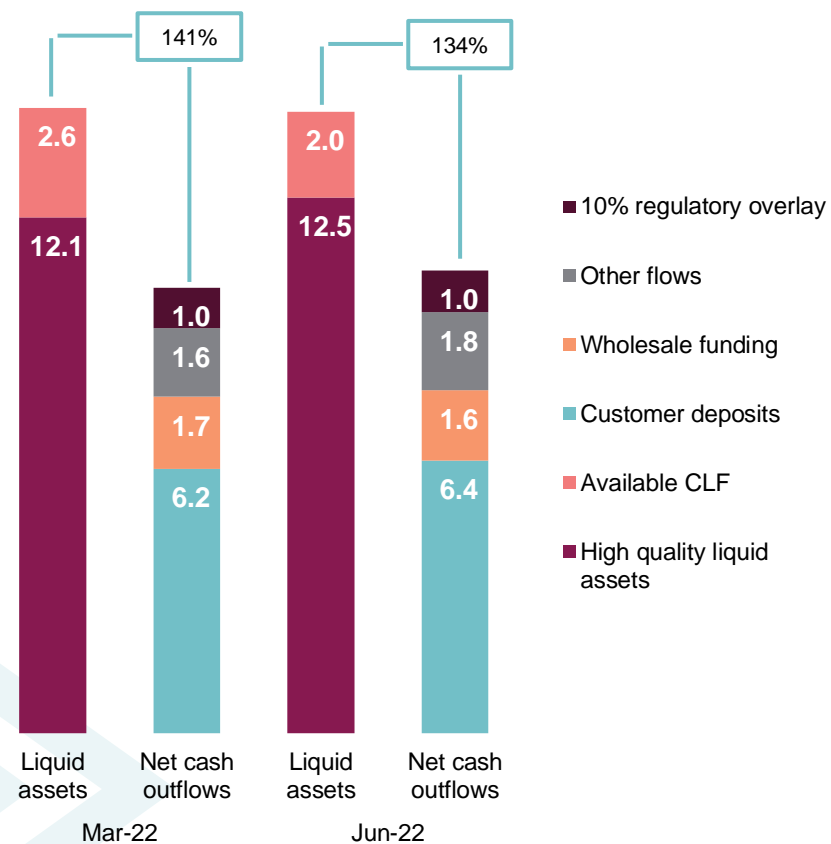


¹ 11.8% interest rate band in transaction accounts relates to State Government regulated trust accounts

Lending, funding and liquidity

Liquidity

Liquidity coverage ratio LCR (\$b)^{1,2}



Net Stable Funding Ratio (NSFR)

129.2% as at 30 June 2022



¹ BEN's LCR for the quarters ending 31 March 2022 and 30 June 2022 are based on a simple average of daily LCR outcomes observed during each period.

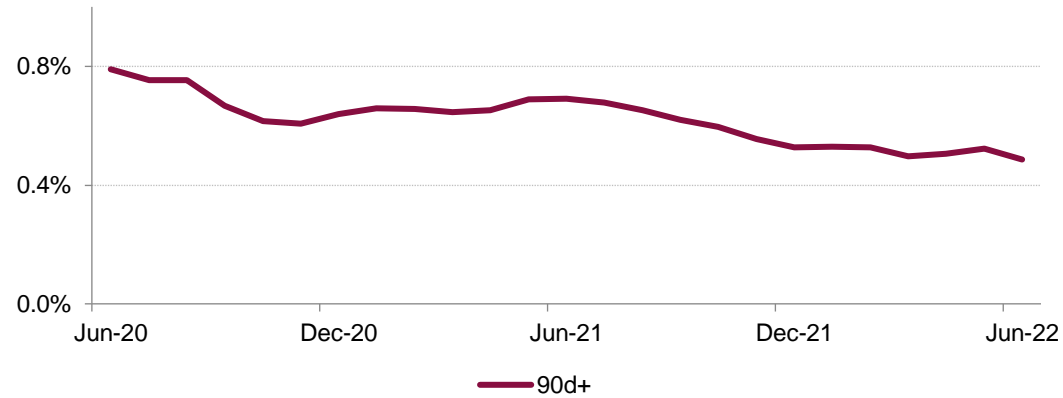
² The total net cash outflows are inclusive of a 10 per cent regulatory overlay, which was effective from 2 November 2020.

Risk and capital

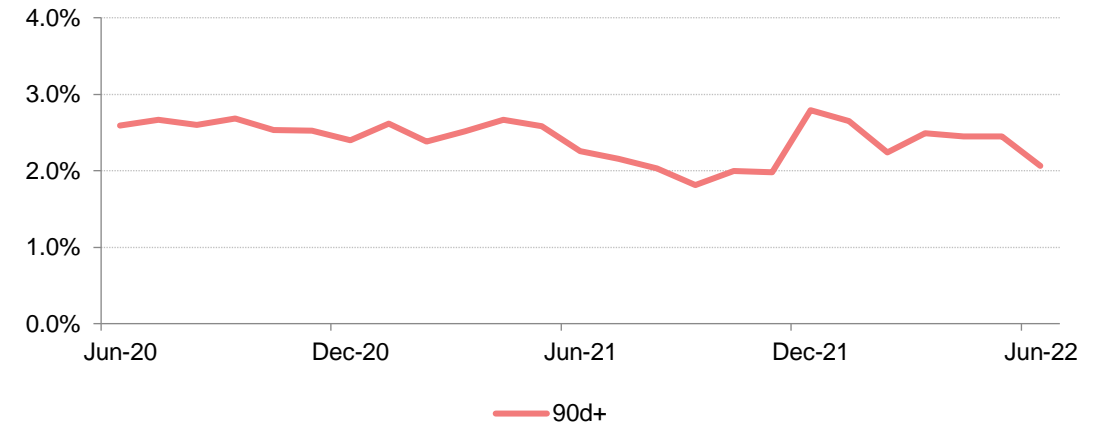
Risk and capital

Arrears

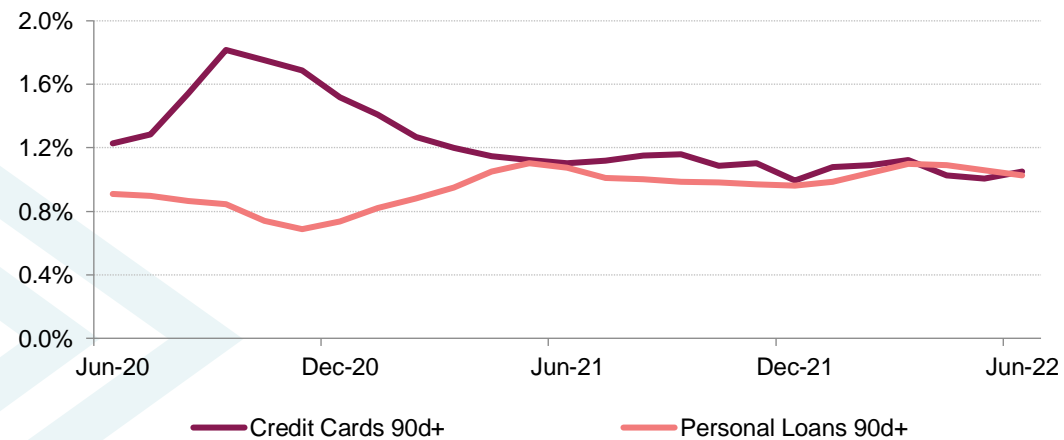
Residential loan arrears



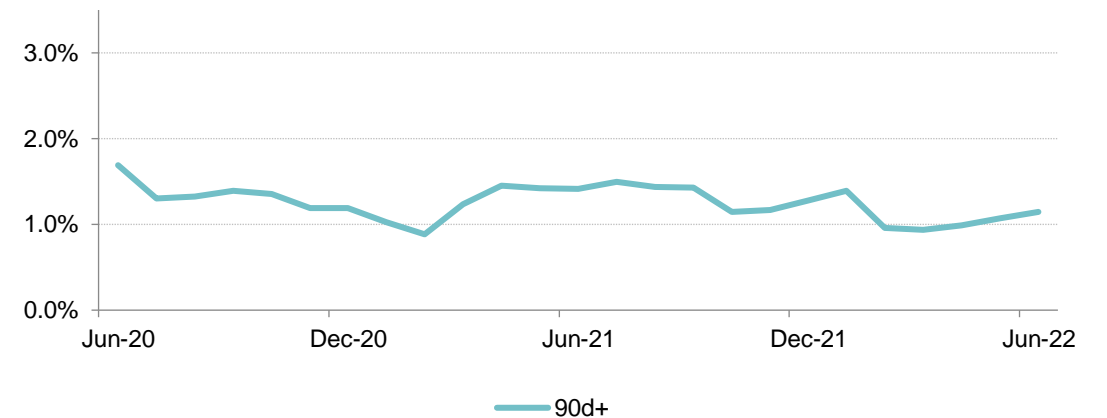
Business loan arrears



Consumer loan arrears



Agribusiness loan arrears

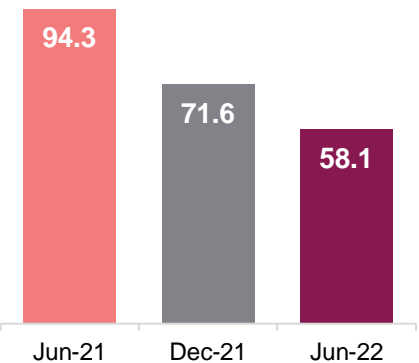


Note: Arrears include impaired assets and all arrangements

Risk and capital

Specific provisions and impaired

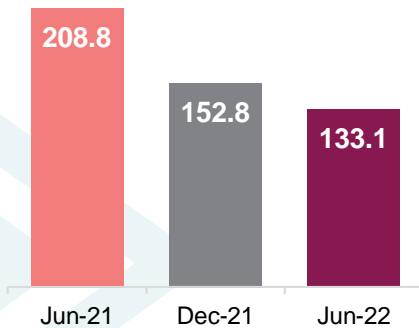
Specific provision
balance (\$m)



Represented by



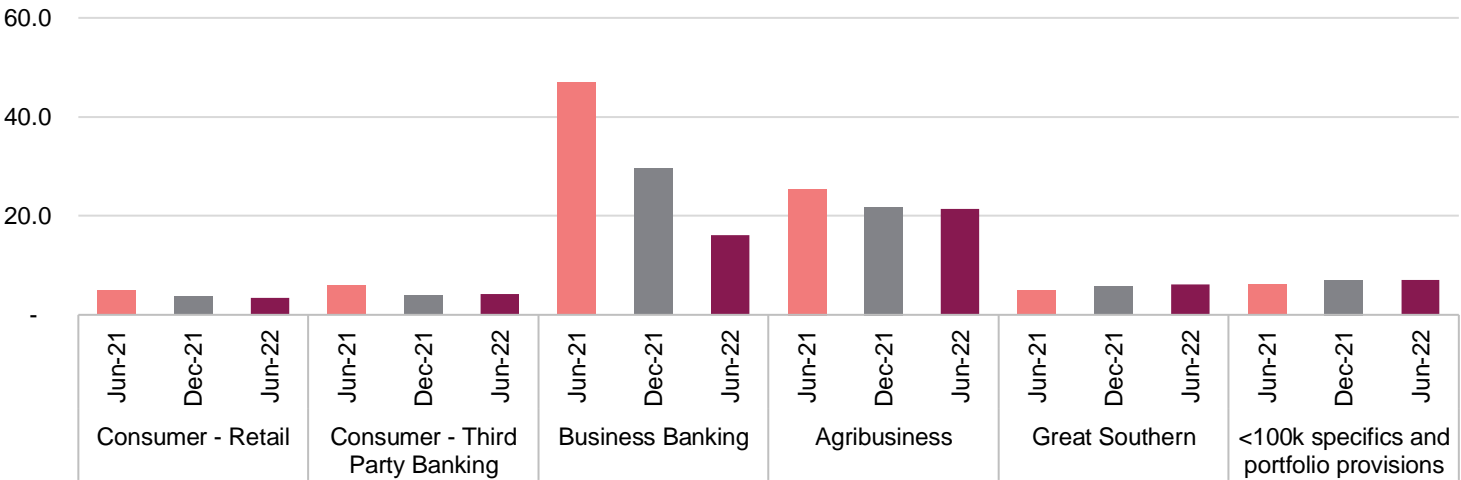
Total impaired
balance (\$m)



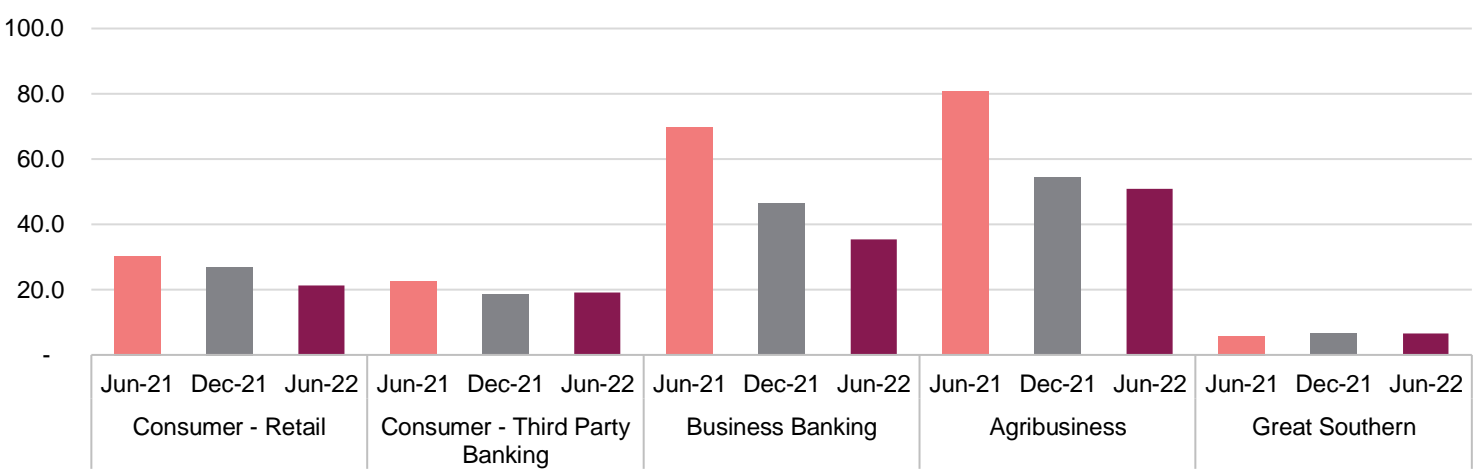
Represented by



Specific provisions breakdown (\$m)



Total impaired breakdown (\$m)

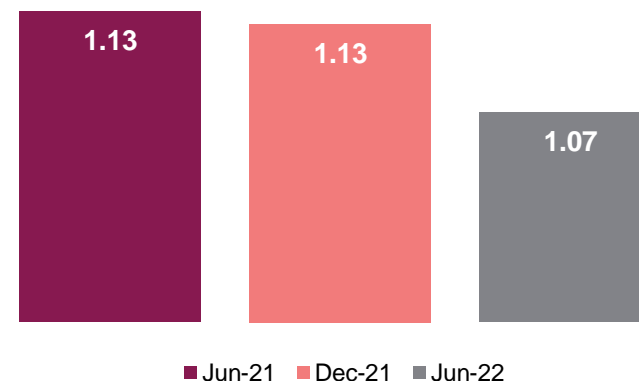


Risk and capital

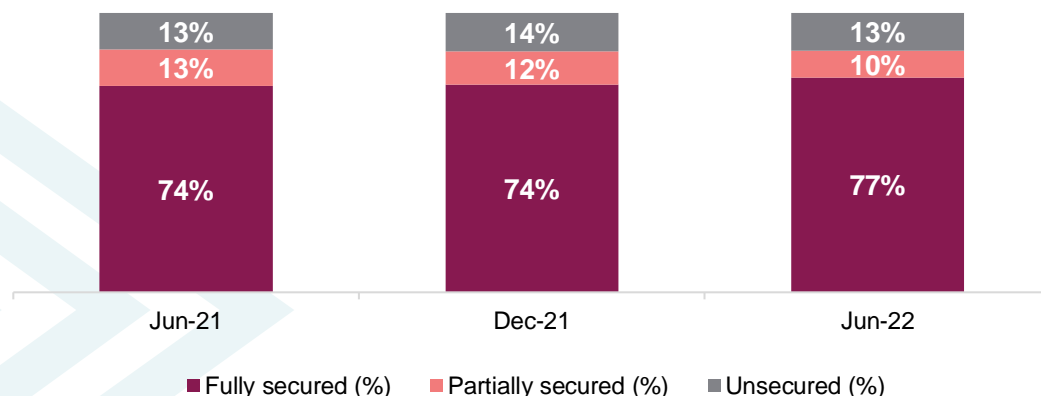
Construction portfolio

- Construction portfolio currently representing ~1% of total group EAD and reducing in value
- Portfolio is well secured, with 87% of the book either fully secured or partially secured (fully secured is where the exposure is less than 100% of the bank discounted security value)
- Current default rate is 0.9% at June 2022 (3.7% June 21)
- Geographic distribution is weighted to Vic (67%) followed by QLD & NSW (11% and 10% respectively)

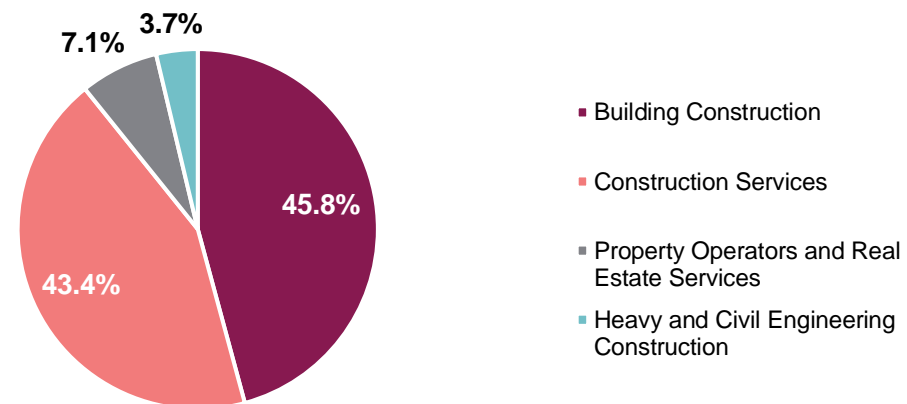
Exposure at default (\$b)



EAD portfolio by bank security value (%)



EAD portfolio by sector¹

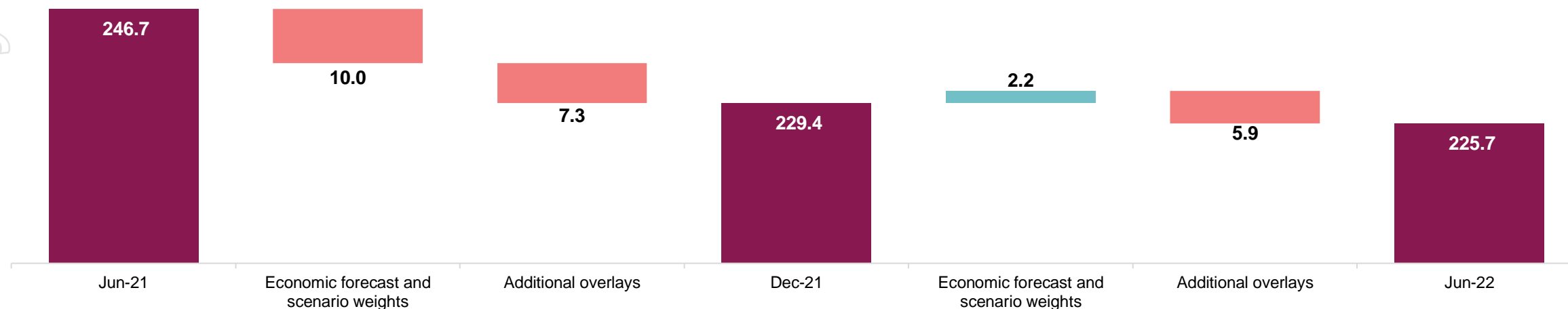


Note: Construction exposure includes all lending attached to Construction ANZSIC code and property operator lending in construction phase of development irrespective of underlying security

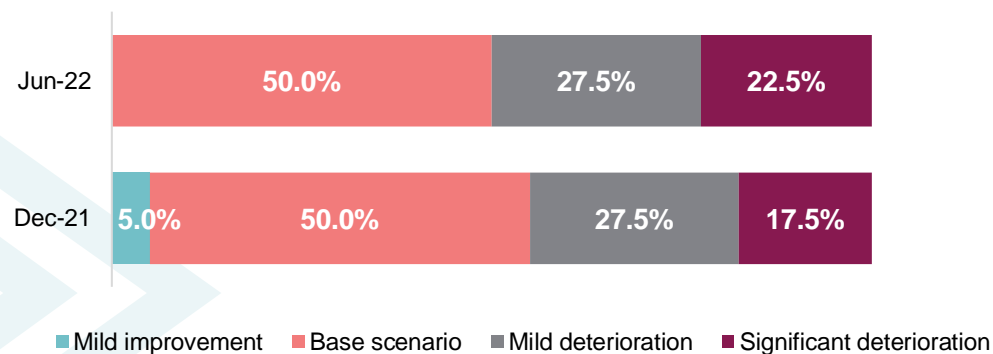
Risk and capital

Collective provisions

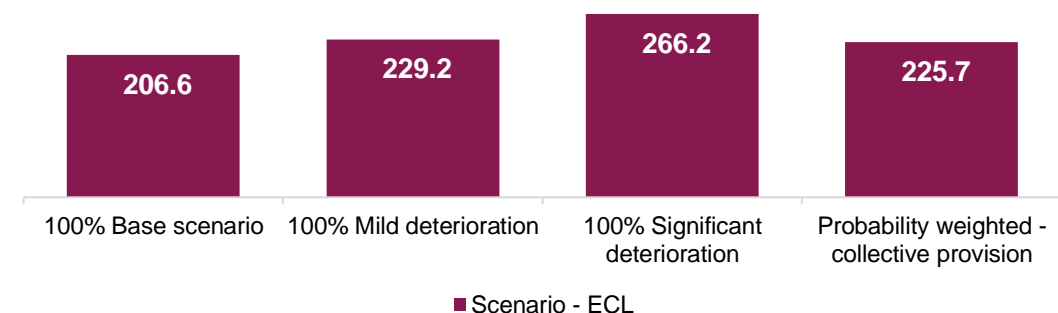
Total collective provision movements (\$m)



Scenario weightings – shift to the downside



Collective provision - scenario outcomes (\$m)^{1,2}



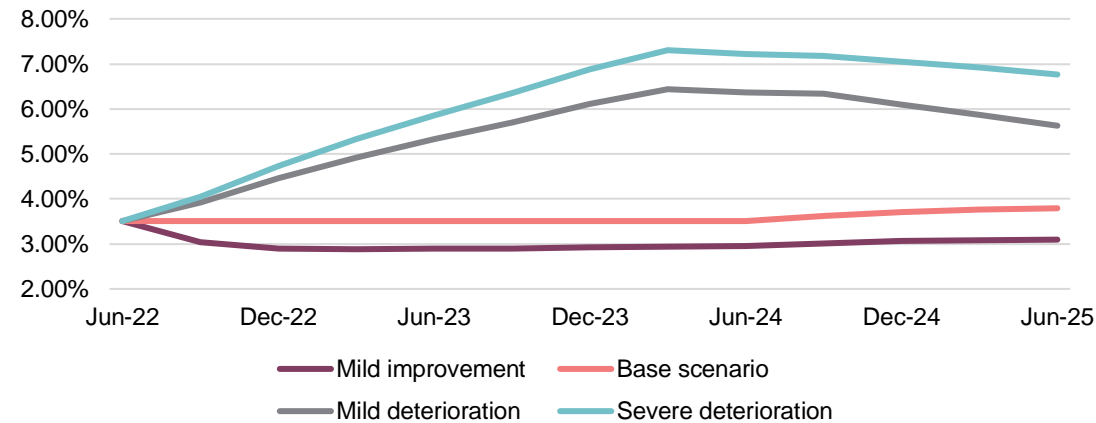
¹ Excludes GRCL

³ Scenario – ECL includes economic outlooks scenario weights and related overlays

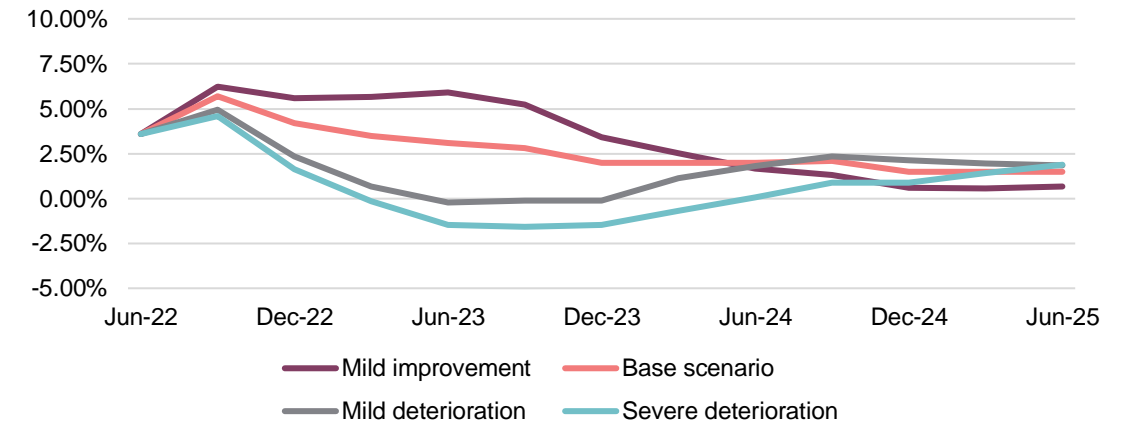
Risk and capital

Collective provision modelling

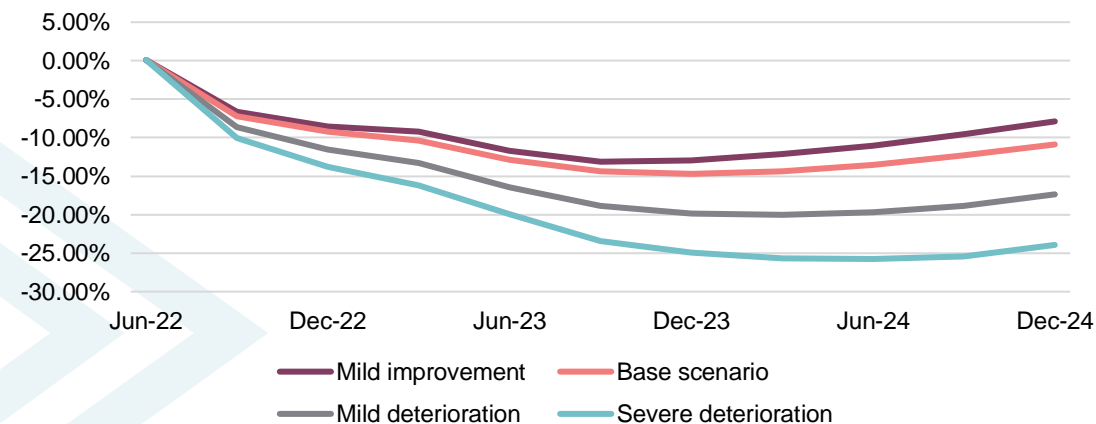
Unemployment (%)



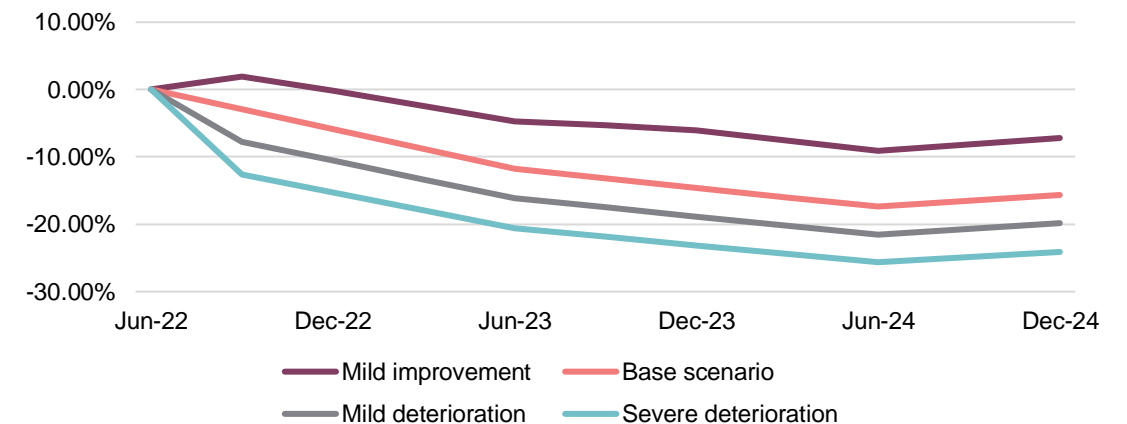
Gross Domestic Product (%)



House prices (%)



Commercial property prices (%)



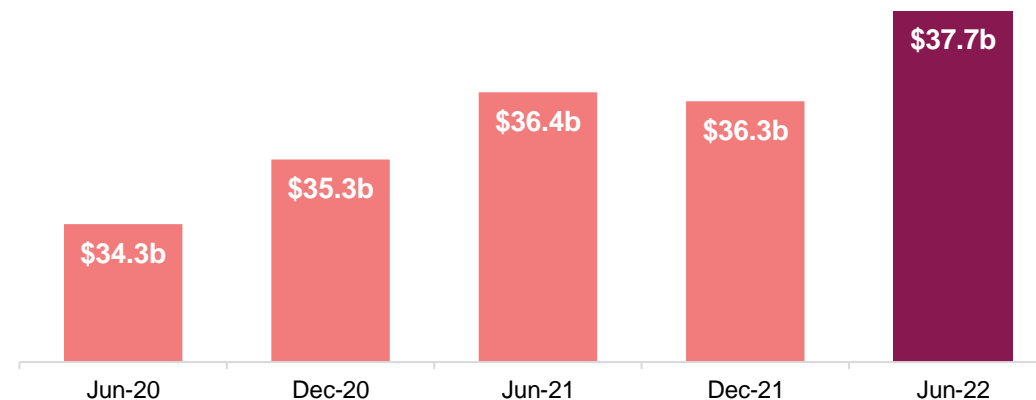
Note: House prices and commercial property prices are cumulative from Jun-22

Risk and capital

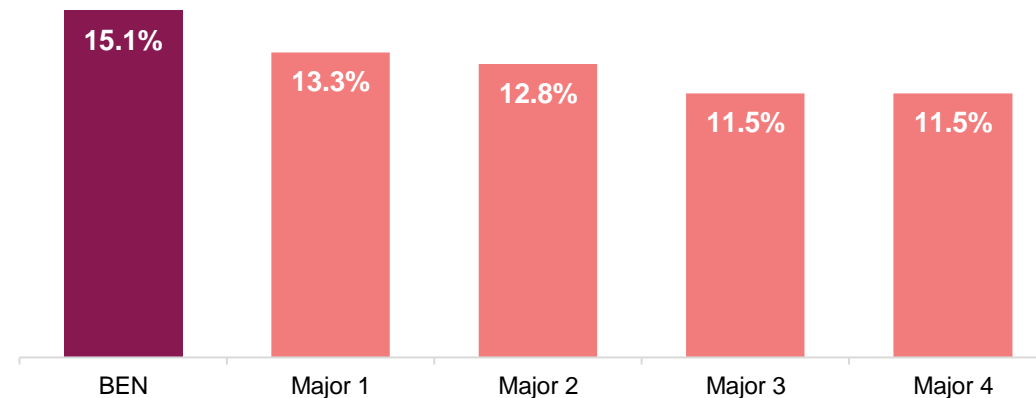
Capital - in summary

	Jun-22 (%)	Dec-21 (%)	Jun-21 (%)	Dec-20 (%)
Common Equity Tier 1	9.68%	9.85%	9.57%	9.36%
Additional Tier 1	1.95%	2.04%	2.04%	2.81%
Total Tier 1	11.63%	11.89%	11.61%	12.17%
Tier 2	1.97%	2.09%	2.20%	2.28%
Total capital	13.60%	13.98%	13.81%	14.45%
Total risk weighted assets	\$42.2b	\$40.5b	\$40.5b	\$39.4b

Credit risk weighted assets (\$m)



S&P RAC Ratio¹



¹ Standard & Poor's RAC Ratio, Major 1 as at 31 Dec 2021, Major 2, 3 & 4 as at 31 Sep 2021 & BEN as at 30 Jun 2021.

ESG

Strengthening our ESG credentials

Key highlights

- **Establishment of dedicated ESG and Sustainability function**
- **Delivery of an ESG Framework which sets out approach to ESG risks and opportunities management and governance**
- **Delivered over 30 ESG capability building sessions for divisions and teams across BEN Group**



Environmental

- Over 50 branch and office locations are now powered by solar
- Electric vehicle pilot commenced for our employee fleet
- Celebrated the 20th anniversary of our Australian first Green Loans with deeper discounts
- Transition risk scenario analysis completed
- Ongoing carbon neutrality
- Over halfway to our 50% absolute emissions reduction by 2030 target



Social

- Release of 'Maybuy' by Up a 'save now buy later' offering to help depositors save for their purchases
- Appeal and hardship support for flood impacted communities in NSW and QLD
- Investment into scams detection, systems, education and information sharing
- Development of refreshed diversity and inclusion Belonging at BEN strategy
- BEN is now a signatory of HESTA 40:40 vision (9 June 2022)



Governance

- Release of Supplier Code of Conduct sharing BEN ESG expectations for suppliers
- Development of Stakeholder Engagement Framework
- Delivery of an ESG Framework which sets out approach to ESG risks and opportunities management and governance
- Design and commencement of an initiative to mature our risk management framework and strengthen risk management processes and culture

Important Information

This document is a presentation of general background information about the Group's activities current at the date of the presentation. It is information in a summary form and no representation or warranty is made as to the accuracy, completeness or reliability of the information. It is to be read in conjunction with the Bank's full year results filed with the Australian Securities Exchange on 15 August 2022 and the Bank's other periodic and continuous disclosure announcements. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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